

CITY OF MOUNTAIN VIEW

2002 HOUSING ELEMENT

**Adopted by City Council
August 6, 2002**

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I. INTRODUCTION

Background

State Housing Element law requires that local jurisdictions outline the housing needs in the community, the barriers or constraints to providing that housing, and actions proposed to address these concerns over a five-year period. As part of identifying the local housing needs, the State of California allocates, through local Councils of Government, each locality's "fair share housing needs" that the jurisdiction is to consider in the development of the Housing Element.

Specifically, the purpose of Housing Element law is:

- To assure that counties and cities recognize their responsibilities in contributing to the attainment of the State housing goal.
- To assure that counties and cities will prepare and implement Housing Elements which, along with federal and State programs, will move toward attainment of the State housing goal.
- To recognize that each locality is best capable of determining what efforts it needs to make to contribute to the attainment of the State housing goal.
- To ensure that each local government cooperates with other local governments in order to address regional housing needs.

To address this intent, the State Government Code states that the Housing Element must include an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Further, the Housing Element must identify adequate sites for housing, including rental housing, factory-built housing and mobile homes, and make adequate provision for the existing and projected needs of all economic segments of the community.

California Government Code Sections 65580 – 65589.8 contain the detailed requirements for the content of the Housing Element. The full list of the Housing Element requirements has been made available to the public in background reports to the Environmental Planning Commission. The following summarizes the key points that must be covered by the Housing Element.

Needs and Inventory

The jurisdiction must develop an assessment of housing needs. A key part of this assessment is the regional Fair Share Housing Needs Allocation. The Association of Bay Area Governments (ABAG) conducts the allocation process. It uses multiple demand factors (job growth, accessibility, projected housing growth, etc.) and supply factors (available land, economic forces, etc.) to determine each jurisdiction's "fair share" of the regional housing need. An inventory of resources and constraints needed to meet these needs must also be provided.

Goals, Objectives and Policies

The jurisdiction must provide a statement of the community's goals, quantified objectives and policies relative to the maintenance, preservation, improvement and development of housing. The 1992 General Plan uses different terminology (Goals, Policies and Actions). The Introduction to the General Plan explains their relationship to one another and to how they implement the objectives of the General Plan and Housing Element:

"The heart of the General Plan is the set of integrated and internally consistent Goals, Policies and Actions in each chapter. Goals are long range; they state finished conditions – the community's vision of what should be done and where. Policies and Actions are short to intermediate range. Policies state the City's clear commitment on how these Goals will be achieved. Actions carryout the Polices and are specific, such as defining land areas to be rezoned or bicycle lanes to be added. Together, Polices and Actions establish who will carry out the activities needed to meet the Goals as well as how and when the Goals will be met. Policies and Actions guide day-to-day decision-making so there is continuing progress toward the attainment of Goals."

Program and Five-Year Schedule

The law requires jurisdictions to set forth a five-year schedule of actions that they are undertaking or intend to undertake to implement the policies and achieve the goals and objectives of the Housing Element. In order to make adequate provision for the housing needs of all economic segments of the community, the program must do all of the following:

- Identify adequate sites to be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels;
- Assist in the development of adequate housing to meet the needs of low- and moderate-income households;
- Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing;
- Conserve and improve the condition of the existing affordable housing stock;
- Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color, and
- Preserve identified assisted housing developments for lower income households.

Definitions Specific to the Housing Element

Within the Housing Element, there are several terms that have specialized meaning. These terms are defined below.

Very Low, Low, Moderate and Above Moderate-income households. These terms refer to the total income of all members of a household relative to the median income levels within Santa Clara County. The specific income levels (dollar amounts) are set annually by the Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD). Generally, these levels correspond to household incomes of no more than 50 percent, no more than 80 percent, no more than 120 percent and above 120 percent of the County median, respectively. (There is also a less commonly-used Extremely low-income category defined as less than 30 percent of median income.) The definitions sometimes vary depending on the housing programs and the Census. In the past, the income range of the Low category has been adjusted to about 65 percent because of the high cost of living in this area. In 2001, it was set at 80 percent. Specific income levels are published by HUD and HCD annually and vary by household size. See Table V-1 on page 21.

Lower Income Households. This is a general term referring to households with incomes less than the median income for Santa Clara County.

Affordable Housing. This is another general term referring to housing that is priced so that the monthly cost of the housing unit does not exceed 30 percent of the median income in Santa Clara County. Subcategories include housing priced to be affordable to households with Very Low or Low incomes.

Frequently Used Acronyms

ABAG:	Association of Bay Area Governments
BMR:	Below-Market-Rate (Housing Program or Ordinance)
CEQA:	California Environmental Quality Act
CDBG:	Community Development Block Grant
DOF:	Department of Finance (State)
FMR:	Fair Market Rent (HUD)
HCD:	Housing and Community Development (State)
HOME:	Home Investment Partnership Program
HUD:	Housing and Urban Development (federal)

II. PUBLIC PARTICIPATION

According to State law, local jurisdictions must "make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the Element shall describe this effort". This will ensure that the Housing Element, and subsequent action on it, are serious, effective, politically-supported, and truly representative of the widest set of housing needs.

To make public meetings on the draft Element meaningful and productive, Mountain View informed a wide range of community groups early on about the process and content of the revision. Background reports, program reviews, and draft policies were circulated prior to each meeting. The City of Mountain View conducted an extensive outreach and public participation program to update the Housing Element. The components included:

- A community workshop
- Eleven Environmental Planning Commission meetings and public hearings
- Four City Council study sessions and public hearings
- Two focus groups with stakeholders in the housing community
- Newspaper announcements and status articles in the local paper ("The Voice") and the City newspaper ("The View")
- Preparation of a videotape on the City's affordable housing projects
- Mailed meeting notices (with specially-designed postcard format) to 80 people on mailing list
- Publication of staff reports on the City's web site
- Active local press coverage of meetings and issues

The public process began on January 31, 2001, with a community workshop attended by about 90 people. The meeting was advertised in the newspaper; with neighborhood "yard" signs at City parks, local schools, fire stations, the library and the community center; on cable TV and the City's web site, and with a broad mailing to about 200 people. Notices were sent to housing service agencies (involved in the City's CDBG process), neighborhood associations, participants in the Chamber of Commerce "Leadership Mountain View" program for the past 10 years, service clubs, the boards of the local school districts, the police and fire unions, all City Council-appointed commissioners and people on the mailing lists for two current community housing issues (housing impact fee and the efficiency studio project).

The format for the two-hour evening workshop was a brief presentation on the Housing Element that included a new videotape on affordable housing projects in Mountain View, small group discussions on "problems" and "solutions" and reports back to the large group. A handout summarized information on what a Housing Element is, the regional "fair share" concept, current information on housing costs and affordability and the timetable for updating the Housing Element.

The workshop was a primary source for defining local housing issues. These issues were summarized in a "Progress Report" to participants after the workshop and influenced the update

process thereafter. The names of participants were added to the active Housing Element mailing list. Notices were sent to everyone on this list before each Housing Element meeting.

The Environmental Planning Commission discussed the following subjects on the dates indicated. The public was invited to speak each of the meetings.

February 7	Recap of workshop
February 21	Implementation of 1990 Housing Element
April 4	Needs Assessment and Housing Issues
April 18	First Review of Potential Housing Sites
June 6	Governmental Constraints and Effectiveness of the 1990 Housing Element
July 11	Non-Governmental Constraints and Draft Goals, Policies and Actions
July 18	Draft Goals, Policies and Actions
August 1	Second Review of Potential Housing Sites
September 19	Public hearing on Draft Housing Element
October 3	Public hearing on Draft Housing Element

Focus groups were held with renters (specifically including low-income renters) on July 12 and with landlords on July 20. The renter focus group was facilitated with the City's Spanish-speaking outreach worker. These meetings were helpful in getting first-hand perspectives on the viewpoints and concerns of these two groups. The focus group summaries and information on current rents, the City's rental housing mediation program and the Tri-County Apartment Association's tenant complaint form were collated into a report called "Background Information on Renting in Mountain View."

The City Council held a study session on July 17 to review the housing issues and a study session on November 6 to review the Draft Housing Element. Public hearings were held on November 13 and 27, January 8 and February 12, 2002, before approving the Draft Housing Element for submittal to the State. After comments were received from the State, the Environmental Planning Commission held meetings on June 5 and July 11, 2002 to consider revisions and responses and the City Council held a public hearing on August 6, 2002 to adopt the revised Housing Element.

Throughout the Housing Element update process, there has been active local newspaper coverage of housing issues and the Housing Element update meetings.

III. EVALUATION OF THE PREVIOUS ELEMENT AND IDENTIFICATION OF NEW ISSUES

Background

Housing Element Law requires that a jurisdiction review its previously-adopted Element to determine what accomplishments occurred in the intervening years, and to consider modifications that might be necessary in order to make the new Element more effective. Specifically, a jurisdiction is required to review its prior Element along three main themes:

- ✓ “Effectiveness of the element” (*Section 65588(a)(2)*): a review of the actual results of the previous element’s goals, objectives, policies and programs. The results should be quantified where possible (e.g., mitigation of governmental constraints).
- ✓ “Progress in implementation” (*Section 65588(a)(3)*): an analysis of the significant difference between what was projected or planned in the previous Element and what was achieved.
- ✓ “Appropriateness of goals, objectives and policies” (*Section 65588(a)(1)*): a description of how the goals, objectives, policies and programs of the updated Element incorporate what has been learned from the results of the previous element.

1990 Housing Element

State law was the starting point for the Goals, Policies and Actions in the 1990 Housing Element. In addition to incorporating the State requirements, the Housing Element addressed the following issues that specifically reflected Mountain View’s special concerns at that time. The issues and their status are:

- Encouragement for infill development. (Ongoing.)
- Encouragement for new single-family houses. (Adopted new zoning ordinance provisions to allow “small lot single family residential”.)
- Preservation of mobile home parks. (Completed with zoning ordinance and General Plan amendments.)
- Impact of large-scale commercial and industrial developments on the demand for housing (This is the basis for current discussions on a housing impact fee and has been a specific topic in CEQA studies.)
- Need to amend requirements for companion units (completed).
- Encouragement for efficiency studio development (being implemented).
- Help for public-service employees to find local housing (partially implemented with preferences under the Below-Market-Rate program).

- Expansion of the residential inspection program to single-family housing (not expanded because of workload issues, but single-family houses are inspected on a complaint basis).

The following is a summary of the accomplishments under the 1990 Housing Element.

Despite a recession, increasing construction and land costs and the difficulty in securing adequate financing, the City of Mountain View made substantial efforts over the last 10 years to implement each of the Actions articulated in the 1990 Housing Element. Accomplishments include the following:

1. Almost 2,500 new units have been built since 1988, representing approximately 76 percent of the need allocated to the City by ABAG. With the inclusion of Maryce Freelen Place, an apartment development that was converted to affordable housing, the total is 2,566 units (78 percent) as shown in the table below.

**Table III-1
Housing Units by Affordability
1988-2000**

Income Category	Need Allocation	Actual	Percent of Need Achieved
Very Low Income	659	149	22.6%
Low Income	560	156	27.9%
Moderate Income	725	739	101.9%
Above Moderate	1,351	1,522	112.7%
TOTAL	3,295	2,566	77.9%

Due to high land and construction costs, combined with strong regional demand and many households with ample ability to pay, the bulk of new housing was priced at upper income levels. Through creative financing and strong partnerships with non-profit developers, the City was still able to meet about 25 percent of the lower income housing need.

2. Six sites were rezoned from non-residential to residential, creating opportunities for 1,274 additional units that otherwise would not have been permitted. Of these, 987 have been built.
3. Guidelines for the development of single-family houses on small lots were adopted and nearly 560 units of this type were built, allowing single-family home ownership at about twice the standard R1 zoning density.
4. Rental units have been preserved throughout Mountain View through its condominium conversion ordinance, which specifies that the number of rental units in the City cannot fall below 15,000. Similarly, mobile homes have been retained to ensure that this housing type, which is often occupied by lower-income people, are maintained and updated.

5. The City has undertaken a study of the impact of commercial and industrial development on the demand for additional housing, including affordable, to determine whether a housing impact fee (“linkage fee”) ordinance should be enacted in the City.
6. In 1999, Mountain View established a Below-Market Rate (BMR) program that requires developers to provide a certain percentage of affordable units in their market rate developments. So far, developers have committed to providing three affordable rental units and \$1.6 million in *in-lieu* fees under the BMR program.
7. Since 1990, CDBG funds have been used to build (or add to the affordable housing supply) 315 units for lower-income residents.
8. The City revised its companion unit ordinance, increasing the potential number of companion units allowed by 75 percent (from 265 to 465 units).
9. City funds (available through federal sources and the Downtown Revitalization District) have been used to preserve all but one at-risk housing project (48 units at Villa Mariposa). A total of 509 units were preserved.
10. The City continued to participate in the planning of and funding for a variety of housing options for persons with special needs, including seniors, the disabled, and the homeless. In addition, the City continues to work with fair housing providers to ensure that potential or alleged discrimination issues are addressed appropriately.

Need for Improvement

Mountain View has addressed a great many of the issues raised in 1990 with respect to the development, improvement and preservation of housing. A number of challenges remain as summarized below.

- Although the construction rate for new units was 197 units per year for 13 years (1988-2000), the goal had been 470 units per year for five years. Excluding the recession years of 1990-1995 (when the City averaged 150 units annually), the average between 1996 and 2000 was only 270 units per year. The new ABAG allocation of 3,423 units translates to approximately 456 units per year which is an ambitious goal given the number of units produced in the last decade and the amount of available vacant and redevelopable land in the City.

The City cannot control the private market, but it can provide adequate land zoned for housing at the appropriate densities and with adequate infrastructure. This is the objective of the review and analysis of potential housing sites that is part of the Housing Element update process. While private market constraints may have been the primary reason that developers have not used residentially zoned land more fully, this has been further explored as part of new Goals, Policies and Actions.

- Some of the actions that were completed—for example, to develop a handbook or to create a list of available sites—had as their focus production of the required report, rather than ensuring its effectiveness or ability to effect change. While the handbooks or reports have been useful, it has been difficult to measure how useful. In developing new Goals, Policies and Actions, consideration has been given to devising a routine follow-up plan aimed at making certain actions more effective.
- There were several programs that did not perform, such as density bonuses because there is little interest from developers, and the rehabilitation program because fewer people now qualify for the Rehabilitation Program due to the increasing cost of ownership housing and higher incomes needed to qualify for a home in Mountain View. In developing new goals and policies, consideration has been given to reviewing actions that were implemented but have had little public response. This has enabled the City to gauge (1) how the programs or activities can be improved to increase participation and effectiveness, or (2) whether there are alternative programs available.

In the case of the density bonus, the State law on which this provision is based, may be outdated. It may not be financially attractive for developers to build the required percentages of low-income (10 percent), very low-income (20 percent) or senior (5 percent) housing needed to qualify for a 25 percent density bonus. Additionally, if the zoning density for the site has been reasonably set with respect to infrastructure and environmental capacities (and such capacities were not artificially limited), then further density increases above 25 percent may not be feasible.

In the case of the rehabilitation program, the focus should probably be shifted from owner-occupied housing (as is the case with the program which has been terminated due to lack of interest) to multiple-family housing.

These ideas have been brought forward through revised Goals, Policies and Actions, based on further research and consultations.

- In terms of energy efficiency, the City has not achieved several of its goals. The issue has gained renewed importance in the last six months and has been receiving significant attention even outside the Housing Element update process. Several new Actions are proposed as part of this Housing Element to address this issue.
- The City has met many of its objectives in providing housing of all types within the 10 year period. However, there has not been enough emphasis on tracking accomplishments through an annual review of the objectives. Although the City has periodically reviewed the General Plan, including the Housing Element, over the past nine years in compliance with State law, a formal annual review would facilitate more frequent updates and changes to programs if they are ineffective. This General Plan has a new Goal and related Policies and Actions aimed at keeping the Housing Element current.

Specific information on the implementation of each of the Goals, Policies and Actions identified in the 1990 adopted Housing Element is provided in Appendix A.

New Issues

During the Housing Element workshop and the follow-up Planning Commission meetings, a number of housing issues unique to Mountain View were raised. Discussion of these issues helped to shape the update of the Housing Element. The issues are:

1. Impact of Job Growth, and Especially Higher Income Employees, on Housing Costs

The relationship between job growth and housing demand was well documented in the nexus analysis completed in December 2000 for a possible housing impact fee. It found that between 1990 and 2000, 15,550 new jobs were created in the City's major industries while only 1,602 new housing units were built. Assuming 1.78 workers per household (the Santa Clara County average), the new jobs created a demand for 8,742 new housing units. This translates into a demand for 5.5 housing units for each one housing unit built. Not all new workers would choose to live in Mountain View, but the numbers highlight the imbalance between new jobs and new housing. This issue is not unique to Mountain View.

Furthermore, there is anecdotal information that some of those who do buy housing in Mountain View have the ability to pay high prices which drives up housing prices for everyone. These home buyers have extremely well-paying high tech jobs and ready access to cash through stock options. Some analysts believe that the combination of high demand plus high income, plus the proclivity of newly-wealthy workers to invest in housing over other luxury items, is the reason for the extraordinary increase in housing prices in Silicon Valley.

The increase in higher income residents appears to be driving out lower income residents and gentrifying parts of Mountain View. Adequate comprehensive data documenting this apparent trend is not available since 2000 Census data comparable to the 1990 Census data is only partially available during preparation of this document.

The market determines housing prices that are, in turn, a function of supply and demand. It is beyond the ability of the City to control the price of market-rate housing. The issue is whether the City should try to control demand and/or increase supply. The conclusion was that a balance must be found to address the housing supply/demand issue.

2. Inability of Median-Income Households to Buy a Single-Family House

This issue specifically focuses on reports that in 2000 only 16 percent of Santa Clara County houses were affordable to households earning the median income (currently \$87,000 for a family of four).¹ This is a drop from almost 40 percent in 1998. A household earning median income can afford a house costing \$297,000 while the median price of a single-family house in Mountain View in November 2000 was \$650,000 and for condominium or townhouse, the price was \$375,000. ((Housing prices and rents began to decline early in 2001 because of the economic downturn.))

¹ "Joint Venture's 2001 Index of Silicon Valley," p. 21.

As noted above, Mountain View cannot control the market price of housing. However, as long-time homeowners gradually move out, ownership housing will only be available to higher-income households. This will mean less diversity in the City. Diversity has been a characteristic in which Mountain View has taken pride.

To assist homebuyers, the City participates or will participate in several countywide programs to assist moderate-income, first-time home buyers, including the Mortgage Credit Certificate (MCC) Program, a County-operated pilot second-mortgage program and the planned Santa Clara County Housing Trust Fund second mortgage program. These programs are described further in Section XI, on page 75. Mountain View also monitors potential State home ownership programs. So far, these programs have had limited applicability to Mountain View—again because of the high cost of housing.

Condominiums are the lowest-priced form of ownership housing. However, there have been few built in the past 5-10 years. Developers shy away from them because of the potential for construction defect lawsuits that became more widespread after a court ruling. Legislation has been introduced to provide greater protection to both developers and condominium buyers with a warranty program. The legislation would establish a more effective means of getting problems fixed when they occur. This legislation could encourage more developers to build more condominiums.

It is much more expensive to assist moderate-income households with buying houses than to assist renters. Funneling more money to ownership programs means less money for rental programs. Therefore, the conclusion was to emphasize programs that would encourage and facilitate construction of lower-priced ownership housing such as condominiums or high density row houses and to participate in regional efforts to provide financial assistance to moderate-income households.

3. High Density Housing and Smart Growth

One solution to increasing the housing supply is to zone for high density housing in conformance with “smart growth” principles which is defined as “development that revitalizes central cities and older suburbs, supports and enhances public transit, and preserves open spaces and agricultural lands.”² Mountain View has a good record on smart growth around several of its rail stations (San Antonio, Downtown, Whisman Station) and Downtown.

The key issue is whether Mountain View should do even more to promote high density. Mountain View is already the highest density City in Santa Clara County and one of the highest in the Bay Area. The conclusion was that high density should be supported but should also be targeted to the Downtown, along transit corridors and commercial centers. Since most of the potential sites have already been zoned for high density housing, future development will occur within zoned capacity rather than in rezoned areas.

² “Theory in Action, Smart Growth Case Studies,” Association of Bay Area Governments, April 2000, page i.

4. Rent Control

This is one of the most controversial issues in any discussion of housing. Five of the six groups at the housing workshop listed rent control as one of their major proposals for solving the housing problem. The issues, impacts and potential results of rent control are complex and data regarding costs and benefits in communities that have tried rent control have not been consistent.

Rent control would, of course, counteract the extreme increases in rent that have occurred in the past few years. According to Joint Venture Silicon Valley's "2001 Index," "In 2000, average apartment rental rates at turnover (renting to a new tenant) increased by 26 percent in real dollars compared to a two percent increase in median income." These kinds of increases could be limited with rent control, although the limitations would depend on the specific rent control ordinance. Two-thirds of Mountain View residents are renters and might benefit from rent control.

The arguments against rent control are that it leads to dis-investment in housing. It inhibits new construction because profits are controlled and it leads to deterioration as owners reduce maintenance and repair of existing housing. It also reduces turnover as tenants tend to hold on to their units longer and it is not an efficient use of housing since seniors in large rent-controlled family units are not motivated to move to small units. Over time, renters will have fewer housing choices and poorer quality housing. The conclusion was that, with the potential exception of mobile home parks, rent control has more potential costs than benefits and should not be pursued. The emphasis should be on strengthening programs to address specific high rent increase abuses.

5. Mobile Home Parks

Mobile home park residents were well represented at the housing workshop on January 31, 2001. Their major housing concern was rent increases—the same issue that has been raised for rentals in general. (Mobile home residents rent space in the park, but own their units.) However, many mobile home residents are seniors on fixed incomes, making the rent increases even more onerous.

A specific idea that surfaced at the workshop is whether the City should consider rezoning mobile home parks to a much higher density that would produce many more housing units, provided that current mobile home residents could move into those units and pay lower rents. There are two objectives with this proposal. One is to double or triple the number of housing units on these sites, significantly adding to the City's housing supply. (The current mobile home park density is 7 to 14 units per acre.) The other objective is to move current residents into housing units that are permanently preserved as low-income units.

A concern was whether this policy would encourage redevelopment, contrary to a policy in the 1990 Housing Element to "preserve the six major mobile home parks as a vital part of housing opportunities in the community." The mobile home park lifestyle is unique. The park provides a close-knit and safe environment but each unit is separately-owned and has its

own (albeit small) yard—similar to a single-family house. There could be strong negative reaction if it appeared that the City was encouraging redevelopment of any kind.

The conclusion was that new policies must be carefully worded so as not to encourage redevelopment and displacement of residents, but also to help residents find replacement housing if redevelopment does occur. These policies would be in addition to current laws requiring a mobile home park owner to prepare a conversion impact report, which may include relocation assistance, before converting a mobile home park to another use. Also, strategies to protect the continuing affordability of mobile homes should be pursued.

6. Impact of Apartment Building Rehabilitation on Lower Income Residents

One of the concerns raised at the workshop was that a significant number of affordable rental units are being lost when property owners rehabilitate their apartment buildings and then raise the rents. A large number of apartments have been recently upgraded, although the City does not track building upgrades separately from other repair work, so an exact count is not available. Nor does the City have any way of monitoring the rent increases that follow these upgrades. Nevertheless, there is anecdotal evidence that this is happening. Property owners participating in a focus group confirmed that they did raise rents to recoup the costs of rehabilitation.

The City has been concerned about the condition of apartment buildings, especially in the California /Latham area, for some time. The 1992 General Plan describes buildings in this area as “inexpensively built and in need of major renovations.” The private improvements that are being made now are significantly upgrading the City’s housing stock. However, the benefits of upgraded housing do not address the need to retain the affordable housing they provide—which was also discussed in the General Plan.

Generally, the City does not have discretionary approval over major remodeling projects. If a building permit application meets code requirements, the City must issue the permit. Therefore, there is no means by which the City can impose special conditions, such as relocation assistance or rent control, on most remodeling projects.

The conclusion was that the most direct way of interjecting the City into the rehabilitation process is by assisting a non-profit agency in buying and rehabilitating a building as was done with Maryce Freelen Place—a 74-unit apartment building on Latham Avenue for low and moderate-income households. In addition, the City should work with apartment owners to find ways to increase participation in the Section 8 voucher program and look for ways to monitor rent increases.

7. Preferences for Community-Serving Employees

There have been many news stories in the local media recently about essential community workers, such as teachers and public safety officers, who cannot afford to live in or near the communities in which they work. This issue was also raised at January 31st workshop. It has been pointed out that teachers who live far away are removed from the day-to-day life of the

communities in which their students live. Public safety workers with long commutes cannot respond quickly to emergencies. Public agencies find that they invest in training and education for these workers only to have them move away within a short time because they cannot find affordable housing. In addition to teachers and public safety workers, there are many other workers that the community depends upon—from nurses to clerks, waiters and bus drivers.

One response is to give priority for housing programs or units to these special groups. Currently, the Below-Market-Rate Program gives preference to households in the following order: public safety employees of the City of Mountain View, public school teachers who work in Mountain View, households who have lived in Mountain View for at least two of the last four years and households who have worked in the City for at least two of the last four years. Priority for subsidized units is given to persons who have lived in Mountain View for at least six months or persons who have worked in Mountain View for at least one year. All households who live in BMR or subsidized units must meet the income requirements.

More information is needed from each of these groups to understand their housing needs and desires and to determine whether existing programs need to be modified or new programs developed. The City as an employer is currently investigating how it can recruit and retain employees who find housing costs to be an obstacle and will be learning more about needs.

The conclusion was that it is important to help these workers live in the community so that they are readily available to respond to public safety emergency situations—one of the primary responsibilities of government—and to participate in the life of the community.

8. Alternative Housing Strategies

Participants in the housing workshop proposed a variety of alternative housing types such as companion units, seniors-only housing, co-op housing and shared housing.. All of these forms of housing are allowed and encouraged in the City.

There are five seniors-only subsidized housing projects in the City. Section V, Housing Needs, shows that senior renters continue to pay too much for rent and more assistance is needed. There was also one mobile home park that had been declared to be a seniors-only park under State law (a special provision exempting it from the standard fair housing requirements for families). That park recently dropped its seniors-only classification.

The City is periodically contacted by groups looking for sites for co-op housing (multiple-family developments with shared kitchen and living areas). This housing form is allowed by the zoning ordinance, but these groups must compete with non- and for-profit developers for limited sites and high land prices has so far prevented development of a co-housing project..

Several agencies help match up individuals (or families) who are looking for shared housing. The City funded a shared housing program (Project Match) in the past, but there were not enough participants to justify the City's investment.

The conclusion was that all of the listed forms of alternative housing should continue to be allowed by the City's zoning and development standards.

IV. POPULATION, HOUSEHOLD AND HOUSING CHARACTERISTICS

Summary of Housing Conditions in Mountain View

Mountain View is located in the heart of the Silicon Valley and its residents enjoy the many advantages that this area has to offer. Overall, Mountain View residents and businesses have access to a diversified economic base of manufacturing, services, wholesale and retail businesses, and numerous recreational opportunities, in addition to a wide range of educational opportunities.

Between 1995 and 2000, Silicon Valley experienced an unprecedented economic boom. While this booming economy had many beneficial effects, it also created an exceptional demand for housing, as the number of jobs grew at a much higher rate than the number of housing units. As a result, housing prices escalated at a rapid rate, and many lower income households were priced out of the private market. Many employers experienced problems attracting employees because of the region's high cost of housing and insufficient supply. The housing shortage and high housing prices increased traffic congestion and air pollution as employees were forced to commute long distances in order to find affordable housing. Increasingly, teachers, police officers and other public sector and service workers are forced to live far from the communities in which they work, and Silicon Valley communities are becoming more economically segregated with only the most wealthy and long time residents able to live close to work. Beginning in early 2001, this economic boom slowed substantially; for example, unemployment rates increased from 1.7 percent in January to 4.7 percent in July. The real estate market reports decreases in the price of both rental and ownership units, especially those at the high end of the market. This illustrates the volatile nature of the housing market.

The City of Mountain View continues to work to provide strategies and garner funding to address the housing needs of the most disadvantaged segments of the housing market: the homeless, the elderly, the handicapped and lower income households. The City actively utilizes federal funding programs for housing, such as HOME and Community Development Block Grant (CDBG), as well as its Redevelopment Housing Set-Aside Funds. The City has also adopted a Below-Market Rate Housing Program that has begun to produce funds for affordable housing. These funds leverage additional financing to create and preserve affordable rental housing and increase opportunities for moderate-income homebuyers.

The following section examines current and projected population and household figures. The information is mainly derived from the 2000 U.S. Census and ABAG "Projections 2002" (which is based on the 2000 Census). The 2000 Census data on population and housing for Mountain View is significantly lower than has been estimated by the State Department of Finance (DOF) in recent years. The City is currently evaluating the 2000 Census data to ascertain its accuracy. The reported 2000 Census data is used in this section, except for the section on housing types which is from the State DOF.

Population and Household Growth

According to Census data, the population in Mountain View grew about 4.8 percent, from 67,460 persons in 1990 to 70,708 persons in 2000. Over the same period, the number of households increased by 4.2 percent. ABAG estimates that the number of households in the City will continue to increase over the next 10 years (by about 5 percent) which is close to the projected population increase of 6.4 percent. The following tables show this projected growth.

Table IV-1
Percentage Change in Population, 1990 – 2010
City of Mountain View Compared to Santa Clara County

	Population			Growth Rate		
	1990	2000	2010	1990-2000	2000-2010	1990-2010
Mountain View	67,460	70,708	75,200	4.8%	6.4%	11.5%
Santa Clara County	1,497,577	1,682,585	1,879,700	12.3%	11.7%	25.5%

Source: ABAG “Projections 2002”

Table IV-2
Growth in Number of Households, 1990 – 2010
City of Mountain View Compared to Santa Clara County

	Number of Households			Growth Rate		
	1990	2000	2010	1990-2000	2000-2010	1990-2010
Mountain View	29,990	31,242	32,810	4.2%	5.0%	9.4%
Santa Clara County	520,180	565,863	626,730	8.8%	10.8%	20.5%

Source: ABAG “Projections 2002”

Household Tenure and Composition

According to the U.S. Census, in 2000, 18,285 of the 31,242 households (58 percent) in Mountain View were renters, while 12,957 households (42 percent) were owners. Approximately 40 percent of Mountain View households consisted of two-parent families, 35.6 percent were single people, 13.5 percent were non-family households (unrelated individuals), and 11 percent were single parent households.

Household Size

Change in household size is an important indicator to track because it helps identify whether more or fewer people are living together in housing. As mentioned above, from 1990 to 2000, the City’s population increased 4.8 percent, while the number of households increased by 4.2 percent, indicating a slight increase in household size (from 2.25 to 2.26 persons per household). The average County household size has grown at a higher rate, 3.9 percent, during this time.

Over the next 10 years, household size in Mountain View is projected to increase by 1.3 percent to 2.29 persons per household while the household size in the County is projected to increase by 1 percent to 2.95. Increases in the number of persons per household can be an indicator of construction of larger units, increased fertility rates, people “doubling up” in order to cut housing costs, and the influx of immigrant families, many of whom have large or extended families. The slight increase in average household size in Mountain View can be attributed to the trend in new construction to build larger units in townhouse and small-lot, single-family home developments, rather than small unit apartment developments.

Table IV-3
Change in Household Size, 1990-2010
City of Mountain View Versus Santa Clara County

	Household Size			Growth Rate		
	1990	2000	2010	1990-2000	2000-2010	1990-2010
Mountain View	2.25	2.26	2.29	0.0%	1.3%	1.8%
Santa Clara County	2.81	2.92	2.95	3.9%	1.0%	5.0%

Source: U.S. Census and ABAG “Projections 2002”

Housing Units

The California Department of Finance (DOF) publishes official state estimates of population and housing. The DOF figures indicate that Mountain View has a wide variety of housing types, including single family detached units, attached units such as townhouses and condominiums, and multiple-family units. In 2000, 56 percent of the housing stock consists of multiple-family housing units, 28 percent of the housing stock consists of detached single family homes, and 12 percent are attached single family homes. Other housing types include mobile homes (4 percent).

The DOF estimates that in 2000 Mountain View had 33,361 housing units, which is much higher than the 2000 Census count of 31,242. The following table is useful in illustrating what sectors of the housing market have seen the most growth since 1990 although the total number of units does not agree with the total number of units in the 2000 Census data released to date.

Table IV-4
Housing Estimates by Type, 1990 - 2000
City of Mountain View

Year	Total	Single-Family		Multi-Family		Mobile
	Housing Units	Detached	Attached	Multi (2-4)	Multi (5+)	Mobile Homes
1990	31,487	8,550	3,793	2,612	15,343	1,189
2000	33,361	9,236	4,132	2,699	16,105	1,189
Percent Change	5.62%	7.42%	8.20%	3.33%	4.97%	0.00%

Source: California State Department of Finance, March 2001.

The data in the tables above indicate that the population is increasing at a somewhat faster rate than the number of new housing units. ABAG projects that this trend will accelerate slightly over the next 10 years.

V. ASSESSMENT OF CURRENT AND PROJECTED HOUSING NEEDS

The following section assesses Mountain View's housing needs by examining housing cost trends, income levels and employment trends. The information below is mainly derived from 1980 and 1990 U.S. Census data, the State of California Department of Finance (DOF) estimates, and ABAG "Projections 2000". 2000 Census data and "Projections 2002" data were not yet available at this level of detail. Also, in some cases, only data pertaining to the County as a whole are available. Such information describes current conditions in the Silicon Valley area, of which Mountain View is a part.

It should be noted that, with one exception, the data and tables presented in this report do not include the population of Moffett Federal Airfield, which is located in the Mountain View sphere of influence. This report uses ABAG's "Jurisdictional" estimates, which are for the City only. The one exception is Table V-9, Jobs per Employed Resident, which uses "Sphere of Influence Data," because employed resident data are not available for just Mountain View. Sphere of Influence jobs information is also presented in this table so that comparisons and trend analysis can be made.

Income Characteristics

The U.S. Department of Housing and Urban Development (HUD) annually adjusts the income limits for areas of the country that experience either unusually high or low median incomes. These income limits are used in determining program eligibility for a wide range of housing programs available to lower-income households. Typically, the definition of lower-income includes household incomes not exceeding 80 percent of median income. However, because of the relatively high median income level in Santa Clara County, HUD, in conjunction with the State's Department of Housing and Community Development (HCD), had modified these definitions to around 65 percent for the past 15 years. However, in 2001, the definition was returned to the historical 80 percent of median income. The change corresponded with an increase in Fair Market Rents for the County.

For the year 2001, HUD's definition of annual median income in Santa Clara County is \$87,300 for a household of four. HUD median income for the county increased by \$33,000, or 61 percent, from 1990 to 2000.

Table V-1
2001 HUD Income Limits
Santa Clara County

Income Category	Number Of Persons In Household							
	1	2	3	4	5	6	7	8
Extremely Low Income (30%)	\$18,350	\$20,950	\$23,550	\$26,200	\$28,300	\$30,400	\$32,500	\$34,550
Very Low Income (50%)	\$30,550	\$34,900	\$39,300	\$43,650	\$47,150	\$50,650	\$54,150	\$57,600
Low Income (80%)³	\$48,350	\$55,250	\$62,150	\$69,050	\$74,550	\$80,100	\$85,600	\$91,150
Median Income (100%)	\$61,100	\$69,800	\$78,600	\$87,300	\$94,300	\$101,300	\$108,300	\$115,200
Moderate Income (120%)	\$73,320	\$83,760	\$94,320	\$104,760	\$113,160	\$121,560	\$129,960	\$138,240

Source: Year 2001 Income Limits, U.S. Department of Housing and Urban Development (HUD).

ABAG “Projections 2000” show Mountain View’s mean household income is projected to be lower than that of the County. This projection could be attributed to the fact that Mountain View has a high proportion of small units (studios and one-bedroom apartments) whose households are more likely to have one wage earner. ABAG expects this gap to close significantly over the next five to ten years because Mountain View’s mean income is expected to grow more quickly than the County as a whole.

Table V-2
Projected Mean Income, 1990 – 2010
In Constant 2000 Dollars

Jurisdiction	1990	2000	Percent Change	2010	Percent Change
Mountain View	\$72,000	\$100,200	39.2%	\$111,500	11.3%
Santa Clara County	\$83,600	\$114,600	37.1%	\$122,800	7.2%
<i>Difference</i>	<i>\$11,600</i>	<i>\$14,400</i>		<i>\$11,300</i>	

Source: ABAG “Projections 2002”

Housing Cost

Construction Cost

Escalating land prices and construction costs contribute to the increasing housing costs in the Mountain View area. The major impediment to the production of more housing is the lack of available land. The cost of labor is also a factor. A 1998 study by the RS Means Company

³ Adjusted percentage as of 2001

showed that California cities have the highest construction cost indices in the nation. RS Means ranks construction markets according to the cost of labor and materials against a national average represented by the number 100.⁴ Indices higher than 100 indicate an expensive construction market. The following table shows the rankings of the major California construction markets (Mountain View is included in the San Jose market).

**Table V-3
California Construction Markets**

City	Labor Index	Materials Index	Total Index	Rank
San Francisco	139	110.7	124	178
San Jose	132	109.9	121	176
Oakland	129	109.5	119	175
Vallejo	129	105.4	117	174
Salinas	118	107.2	113	171
Sacramento	116	106.7	111	167
Los Angeles	118	104.9	111	167
Anaheim	117	104.8	111	164
Modesto	115	105.9	110	160
Stockton	115	105.8	110	159
San Luis Obispo	114	106.1	110	157
Long Beach	117	102.9	110	155
Fresno	114	105.2	109	152
Santa Barbara	115	104.5	109	152
Riverside	114	104.5	109	152
Santa Ana	115	102.3	108	150
San Diego	110	104.5	107	148
San Bernardino	114	100.1	107	147
Bakersfield	109	104.3	106	143

Source: RS Means 1998 Construction Cost Indices.

According to the “Jobs Housing Nexus Analysis” prepared for the City of Mountain View in February 2001, housing costs are high in Mountain View primarily due to high land costs. Based on the analysis, average development costs for one-bedroom apartment units equal \$275 per square foot, or \$180,000 per unit. The development costs for one bedroom condominiums average \$385 per square foot, or \$250,000 per unit.

As a result of high housing costs in Mountain View, lower income households are being priced out of the housing market. The high cost of housing makes it a valuable investment and typically, property owners maintain their investment and make improvements as necessary to prevent any deterioration of the housing. These improvements increase the value of housing. However, lower income households who are cost burdened cannot afford to make needed investments and cannot capitalize on the potential increase in housing value through such investments. High housing prices also discourage some owners from selling their properties for fear they will be unable to find another home they can afford, limiting the supply of available housing. Additionally, the

⁴ Only cities or MSAs with a population of 200,000 or above are included. Average index for the USA is 100.

high job growth in the Silicon Valley area has resulted in a lack of a sufficient number of housing units to meet the demand of those who are seeking a place to live.

Ownership Housing Costs

As of December 2000, the median price for a single family home in Santa Clara County was approximately \$485,000 and the median price for a condominium/townhouse was \$290,000. In Mountain View, these median prices were higher, with a median priced single family home selling for about \$650,000, and the median priced townhouse selling for \$375,000.

The affordability gaps for lower income households in Mountain View are tremendous. Most moderate-income households cannot afford a median priced home in Mountain View. A median income family of four could afford a home priced at about \$297,000, or \$353,000 less than the median priced home in Mountain View. A low-income household of four could afford a \$228,000 home, while a very low-income family of four could afford a \$125,000 home. A median income household would be able to readily find a condominium or townhouse within their price range. Low-income households would find very few affordable units. Very low-income households are unlikely to find an ownership unit within their price range and would generally be limited to the rental housing market.

Renter Housing Costs

Like homes sales prices, average rents in Mountain View are high. RealFacts data indicates that in the nine-month period from the end of December 1999 to the end of September 2000, rents in Santa Clara County increased 38 percent.⁵ While subsidy programs like Section 8 help fill the affordability gaps for lower income households, HUD only allows Section 8 vouchers to be used up to a certain price level, which is termed Fair Market Rent (FMR).

FMRs are estimates of the rent plus utilities that would be required to rent privately-owned, decent, safe, and sanitary rental housing of a modest nature with suitable amenities. The calculation of FMRs is based on information from the 1990 Census, housing surveys and the Consumer Price Index for housing. The rent figures reflect the upper limits of rents that can be used in the negotiations for Section 8 contracts.

Table V-4 compares the 2000 Santa Clara County FMRs to the average rents in Mountain View in that year as published by RealFacts.⁶ (The RealFacts rents may be 5 to 10 percent higher than would be found in a full sample of all rental units.)

⁵ By mid-2001, rents were declining.

⁶ RealFacts compiles data on apartment complexes with 40 or more units. Realfacts has stated that this data is about 5 to 10 percent higher than would be found in a full sample of all rental units, which would include smaller and generally older properties with lower rents.

Table V-4
Santa Clara County FMRs Versus Average Rents in Mountain View
2000

Size	2000 FMR	2000 Average Rent
Studio	\$866	\$1,442
1BR	\$988	\$1,679
2BR	\$1,221	\$1,854
3BR	\$1,673	\$2,421
4BR	\$1,879	n.a.

Source: HUD, 2000. Realfacts

Market rents that are higher than FMRs make it difficult for persons with Section 8 vouchers or certificates to be able to find housing, since the property owners have to be willing to accept the lower rent allowed by the FMRs. Another problem is the time needed for tenants to receive approval from the Santa Clara County Housing Authority, which administers the Section 8 program, of qualifying apartments. In a hot rental market, landlords do not want to wait for approvals when non-Section 8 tenants can begin paying rent immediately. As shown in Table V-4, FMRs in Santa Clara County were substantially lower than average rents.

Lower Income Households Overpaying for Housing

Census data from 1990 show that about 40 percent (or approximately 11,911 households) of Mountain View's total households had housing problems, defined as overcrowding, overpayment for housing cost, substandard conditions, or any combination of these three factors. Overpayment—or cost burden—is the extent to which gross housing costs, including utilities, exceed 30 percent of gross household income. Severe overpayment is when these costs exceed 50 percent of gross household income. This data is not currently available from the 2000 Census.

Renter households in Mountain View had much greater percentages of households with housing problems and cost burdens than owner households in the same income brackets. Among the renter households in Mountain View, 79 percent of large families, 63 percent of elderly, 42 percent of small households, and 37 percent of all other renter households were experiencing housing problems in 1990. Among the owner households, 20 percent of elderly owners and 38 percent of other owners had housing problems.

According to the 1990 Census, 9 percent of Mountain View's households were extremely low-income (earning 30 percent of median income or less), 9 percent were very low-income (incomes between 31 percent and 50 percent of median), 9 percent were low-income, 8 percent were moderate-income, and 65 percent were above moderate-income.⁷ Household income data is not currently available from the 2000 Census.

⁷ The income category definitions vary among housing programs and the Census. For example, some programs refer to moderate-income as 81-120 percent of median income, while some define this category as 81-95 percent of median. This Housing Element will refer to the name of the income category rather than the percentage of median served.

Table V-5
Household Income Distribution, 1990
City of Mountain View

Income Category	Relation to Median	Number	Percentage
Extremely low income (ELI)	30% or less	2,761	9%
Very low income (VLI)	31% to 50%	2,716	9%
Low income (LI)	51% to 80%	2,654	9%
Moderate income	81% to 95%	2,486	8%
Above moderate income	96%+	19,380	65%

Source: U.S. Census, 1990.

Very Low Income

The Census shows that in 1990, 5,477 very low-income (VLI) households earning 50 percent or less of median income resided in Mountain View. About half of these households (2,761) were extremely low income (ELI), earning 30 percent or less of median income, and the other half (2,716) earned between 31 percent and 50 percent of median income.

Overall, among the ELI households earning 30 percent or less of median income, 77 percent reported having housing problems, 76 percent were cost burdened, and 64 percent were severely cost burdened. Among the VLI households earning between 31 percent and 50 percent of median income, 77 percent reported having housing problems, 74 percent were cost burdened, and 33 percent were severely cost burdened.

A total of 4,212 VLI households were cost burdened.

Very Low-Income Renter Households—About 76 percent of the VLI households (4,172) were renters in 1990. Among the VLI renter households:

- 85 percent were cost burdened.
- 36 percent were severely cost burdened.

Very Low-Income Owner Households—According to the 1990 Census, 24 percent of VLI households (1,305) were owner households. Among the VLI owner households:

- 51 percent (666 households) paid more than 30 percent of their income for housing.
- 22 percent (287 households) paid more than 50 percent of their income for housing.

Low Income

According to the 1990 Census, 2,654 households in Mountain View were low-income (LI) households (earning between 51 percent to 80 percent of median income). Of this group, 70 percent reported having housing problems, 63 percent (1,675 households) were cost burdened and 10 percent were severely cost burdened.

Low-Income Renter Households—There were 1,949 renter LI households in 1990. Among this group:

- 74 percent (1,442 households) were cost burdened.
- 8 percent (156 households) paid more than 50 percent of their income for housing.

Low-Income Owner Households—In 1990, 705 LI owner households resided in Mountain View. Of this group:

- 33 percent (233 households) were cost burdened.
- 16 percent (113 households) were severely cost burdened.

Moderate Income

In 1990, 2,486 households in Mountain View were moderate income. Of this group, 51 percent reported having housing problems, 42 percent were cost burdened, and 4 percent were severely cost burdened.

Moderate-Income Renter Households—Within this moderate-income group, 1,959 were renter households in 1990. Among this group:

- 46 percent were cost burdened.
- 3 percent were severely cost burdened.

Moderate-Income Owner Households—Out of 527 moderate-income owner households:

- 31 percent were cost burdened.
- 6 percent were severely cost burdened.

Renter households experience a greater need for affordable housing than owner households. Among very low-income, low-income and moderate-income households, renter households had the highest incidence of cost burden. Among very low-income households, for example, 85 percent of renter households were cost burdened while 51 percent of owner households were cost burdened. This trend is similar among low-income households, as 74 percent of low-income renter households were cost burdened as compared to 30 percent of owner households. Furthermore, senior households had the highest incidence of renter households paying over 50 percent of their income for rent. This indicates an even greater need among senior renter households for affordable housing.

Special Needs Housing Analyses and Estimated Number of Households

The Housing Element is required to examine the needs of specific subgroups of the population, such as seniors, the disabled, farmworkers, and female-headed households. These groups may have special housing needs that may not be addressed by the conventional housing market.

Disabled

Persons with Severe Mental Illness

According to the Santa Clara County Mental Health Department, mental health needs in the area continue to exceed available support services. The Department estimates that 24,000 people in the County need case management services (social worker assistance to obtain basic needs), yet only about 5,000 slots currently exist in the inventory of services, resulting in an unmet need of 19,000 case management slots. Similarly, 29,000 people in the County need mental health care, while only 19,000 people are able to be served. This leaves a gap of about 10,000 people needing services county-wide. Data specific to Mountain View is not available. Mountain View's total population in 2000 is 4.2 percent of the County's. Based on this, it is estimated that there are 400 – 450 people with mental illnesses in Mountain View who need special services. Nearly 100 percent of this population needs housing placement assistance, as well as life skills training.

Persons with Developmental Disabilities

The Housing Choices Coalition (HCC) – an agency addressing the housing needs of the developmentally disabled – reports that at least 5,600 people of all ages in the County currently have mental retardation, cerebral palsy, autism or other developmental disabilities. The San Andreas Center, a non-profit organization serving persons with developmental disabilities, estimates that 3,100 developmentally disabled adults are over the age of 18, and 1,850 (60 percent) are living at home with their parents. About 60 percent of these 3,100 developmentally disabled individuals will likely need some kind of housing. Based on Mountain View having 4.2 percent of the County's total population, it is estimated that there are about 78 residents with developmental disabilities likely to need housing. In addition, it is estimated that about 300 people (30 percent) of the 970 people who now live in community residential facilities (i.e., group homes) in the County would also choose more independent living, were it available. (Two group homes are located in Mountain View. Together, they house 27 residents.)

Many of the developmentally disabled live on Social Security income with additional income from work, family or other sources. HCC reports that it is not uncommon for a disabled adult to earn less than \$10,000, making it extremely difficult to find affordable housing.

Persons with Physical Disabilities

The State Department of Rehabilitation estimates that 88,990 handicapped households resided in Santa Clara County in 1990. If handicapped households were evenly distributed throughout the County, an estimated 3,735 disabled households lived in Mountain View.

The 1990 Census showed that persons in Mountain View with a work disability numbered 2,687, and of these, 54 were prevented from working due to their disability. The 1990 Census showed that 3,811 persons in Mountain View lived with a mobility or self-care limitation. 2000 Census data in this category is not currently available.

Currently 90 disabled persons (with physical and developmental limitations) are on the Section 8 rental assistance waiting list. No accurate figures exist for the number of housing units in the City that are handicapped accessible. The City helps physically disabled low-income households make minor accessibility modifications to their homes by funding a Home Access Program. Between 1996 and 2000, 41 home access projects were completed. The work consisted of grab bars, adaptive steps, wheelchair ramps and other similar modifications.

Persons with HIV/AIDS

Based on available health service data, approximately 3,000 to 5,000 HIV-positive persons reside in Santa Clara County. In addition, the Santa Clara County HIV Planning Council's needs assessment (1999) reported 2,953 cumulative cases of AIDS by the end of 1998. Of this, 92 percent were men and 8 percent were women. The study also showed that about 1,200 people are alive with AIDS today, of which 90 percent are men and 10 percent are women.

The assessment identified housing as a significant need among this population, and the most difficult service to obtain. Within this category, housing for families was most difficult.

Another study, entitled "HIV Medical Care Survey: An Evaluation of Persons Receiving Care for HIV/AIDS Disease," found that of the total number of people reported as receiving treatment for HIV and AIDS in Santa Clara County (1,864), 15 percent resided in north County, including Palo Alto, Mountain View, Sunnyvale, Los Altos, Alviso and Santa Clara.

As a result of new treatments, many of the individuals with HIV/AIDS are living longer lives. To maximize the likelihood that people will benefit from the new drug therapies, they need a stable living environment. Despite the fact that people are living longer, many are disabled and unable to work. As a consequence, the current housing situation for low-income people living with HIV is becoming increasingly critical. The housing options for persons with HIV/AIDS disease include temporary shelters, rent subsidies, long-term residential programs, housing referral services, hospices and emergency housing subsidies.

Seniors

The 1990 Census reported that 6,598 Mountain View residents were aged 65 and over, amounting to 10 percent of the total population. This age group increased 22 percent from 1980 to 1990. The 2000 Census reports that there are 7,416 Mountain View residents over age 65, equal to 10.5 percent of the population. This age group increased by 12.4 percent from 1990 to 2000, and also increased slightly as a portion of the total population. According to the 1990 Census, 4,611 households in Mountain View are headed by persons 65 years and older, 3,026 of which were owner households. The 2000 Census lists 4,602 households headed by persons 65 years or older; 3,118 of which were owner householders. The senior age group will likely continue to increase in the future as the "baby boomer" population ages and medical advances allow individuals to live longer.

Currently, the 593 subsidized senior housing units in the City of Mountain View house 20 percent of the City's senior renter households. The waiting lists for these units typically have

more than 100 names. The waiting period for one of these units ranges from about two to four years. The Santa Clara Housing Authority's waiting list for Section 8 rental assistance showed that as of 1999, 128 Mountain View senior households were waiting for assistance.

Among renter households, a much larger portion of seniors pay 30 percent or more of their income for rent than other households. Whereas 56 percent of senior households pay 30 percent or more of their income for rent, 25 percent of renter householders ages 15 to 64 pay this same amount. In contrast, among homeowner households, only 12 percent of senior homeowners spend 30 percent or more of their income on housing costs. Senior renter households, therefore, appear to have the greatest need for assistance with housing costs, compared to other renters or senior homeowners. Based on information from non-profit agencies that provide senior services, senior homeowners have a need for assistance with home repairs in order to maintain their homes and also support services in order to remain in their homes for as long as possible.

The Council on Aging estimates that about 17 percent of persons over the age of 65 are either mobility impaired or have some type of self care limitation. For Mountain View this means that approximately 1,122 seniors need accessible housing or some type of support services to remain independent. In 1990, four percent of the City's population consisted of seniors ages 75 and over. Older seniors are the group most likely to need assisted living or nursing care. The supply of assisted housing for the frail elderly is limited. The Long Term Ombudsman Program of Catholic Charities identifies 550 frail, chronically ill, primarily elderly residents residing in the 18 licensed long term care facilities in Mountain View. These facilities consist of five nursing facilities and 13 assisted living/residential care facilities for the elderly.

Large Households

According to the 2000 Census, approximately 7 percent of all occupied dwelling units (2,157 units) contained five or more occupants. The typical housing problem associated with large families is overcrowding. The Census defines an overcrowded household as one that has more than one person per room, excluding the kitchen and bathrooms. According to the Santa Clara Housing Authority, some large families who need three or more bedrooms are living in two-bedroom units because the larger units are not available at affordable rents. A need for more affordable three-bedroom units (and larger) currently exists in Mountain View. (See further discussion of overcrowded households below.)

Farmworkers

Currently, no significant active farming remains in Mountain View. The two active farms (a 10-acre orchard and a 15-acre farm with an on-site vegetable stand) are both family operated.

Female Headed Households

The 2000 Census shows that about 2,273 of the 31,242 of Mountain View households (7.3 percent) consisted of female-headed households. Low-income female-headed households have special needs for affordable housing and supportive housing in particular. Affordable child care is also a need for this group. Mountain View provides funds to support the Support Network

for Battered Women, which provides shelter and transitional housing. Mountain View is also working with other area jurisdictions to fund the construction of 24 housing units for domestic violence survivors. The City is also studying child care needs. Despite these efforts, a very limited supply of housing with support services for low-income female-headed households currently exists in the City.

Homeless

The City of Mountain View, along with other cities in this area and the County, takes a regional approach to homelessness. These jurisdictions jointly funded and participated in a survey of homeless individuals and families in Santa Clara County in January 1999.⁸ The survey, which was an update of a smaller survey conducted in 1995, consisted of a questionnaire that was administered to a sample of the homeless population in the County, including people in several locations in Mountain View. Unlike a census, which counts the entire population in a group, a sample survey reaches only a subset of the total population

During the survey, 2,908 homeless citizens were contacted at shelters and at other locations where homeless people congregate. From these interviews, data was collected on the characteristics of the homeless population and estimates were made of annual episodes of homelessness (an individual or family could have more than one episode of homelessness). Obtaining an accurate count of the homeless population is very difficult and some aspects of the survey were called into question. For example, the survey estimated that there were 20,000 episodes of homelessness in 1999 (compared to 16,000 in 1995). However, an independent analysis of the 1999 data found that the number of episodes was closer to 17,000. Nevertheless, the survey is the most up-to-date data available and has been accepted by several cities and the County.

This 1999 survey found that:

- Over 40 percent of the respondents reported being homeless for more than one year,—approximately the same as in the 1995 survey.
- The number of children who are homeless comprised 31 percent of the total sample count, an increase from 19 percent in 1995
- Children in the 1999 survey were older than their counterparts in the 1995 survey. Of the total number of homeless children in families, 60 percent were under the age of 12, a decrease from 74 percent in 1995
- The number of working homeless has increased from the 12 percent reported in a 1989 survey, to 24 percent in 1995, to 34 percent in 1999

The raw data for Mountain View was unavailable.

Another indicator regarding homelessness comes from the Housing Authority's waiting list information. The following table shows this information for the various cities in the County,

⁸ "1999 Santa Clara County Homeless Survey," September 8, 2000.

including Mountain View. Among the 280 Mountain View residents on the waiting list, 14.3 percent identified themselves as homeless.

The homeless population in Mountain View is currently served by several local shelters and programs as described in Section XI, Description of Programs. The City also contributes CDBG funds to shelters in both San Mateo and Santa Clara Counties.

**Table V-6
Homeless Households on Housing Authority Wait List
As of 1999**

City	Number of Total HHs on Wait List	Number of Homeless HHs on Wait List	Homeless HHs As percentage of Total HHs on Wait List	Percentage of Countywide Homeless HHs
Campbell	434	40	9.22%	0.92%
Cupertino	138	13	9.42%	0.30%
Gilroy	1,017	253	24.88%	5.82%
Los Altos	22	2	9.09%	0.05%
Los Altos Hills	0	0	0.00%	0.00%
Los Gatos	116	23	19.83%	0.53%
Milpitas	887	107	12.06%	2.46%
Monte Sereno	1	0	0.00%	0.00%
Morgan Hill	358	65	18.16%	1.49%
Mountain View	280	40	14.29%	0.92%
Palo Alto	304	54	17.76%	1.24%
San Jose	19,525	2,860	14.65%	65.76%
Santa Clara	1,225	134	10.94%	3.08%
Saratoga	46	6	13.04%	0.14%
Sunnyvale	949	109	11.49%	2.51%
Outside Santa Clara County	3,020	643	21.29%	14.79%
TOTAL	28,322	4,349	15.36%	100.00%

Source: Santa Clara County Housing Authority.

Other

Small Households

According to the 2000 Census, 10,773 two-person households (35.6 percent of the total number of households) and 11,133 one-person households (34.5 percent). Often, small households consist of young adults starting out in the workforce, the elderly, and single-parent households. Individuals in entry level jobs, persons in low-paying service jobs, the elderly living on pensions,

and single parent-households having the extra expense of day care costs are often paying a high percentage of their income for rent.

In 1999, 211 of the Mountain View applicants on the Housing Authority's waiting list for Section 8 rental assistance are single-person households, representing 38 percent of the 560 Mountain View residents on this waiting list. The Housing Authority has identified a need for additional affordable housing options, such as efficiency studio units for very low-income single-person households. A 110-130 unit efficiency studio development is in the planning stages to meet this need in Mountain View. The City has identified a site and committed local match funding for this project, which is expected to be available for occupancy in 2004.

Number of Overcrowded Households

The typical housing problem associated with large families is overcrowding. The Census defines an overcrowded household as one that has more than one person per room, excluding the kitchen and bathrooms. Approximately 2,437 occupied housing units (8 percent of the total occupied dwelling units) in 1990 were overcrowded. Equivalent data from the 2000 Census is not yet available. Of these, the vast majority (2,165) were renter-occupied units and 272 were owner-occupied units. In 1980, 5 percent of the total occupied units were considered overcrowded, thus indicating that overcrowding is becoming more prevalent, probably as a result of higher housing costs. Overcrowding seems to be a problem in particular for very low-income large renter households. Overcrowding is a problem for 72 percent of this group and 92 percent of those households earning 30 percent or less of median income. While white households have the smallest household size, Hispanic, Asian and African-American households have the largest household sizes (after the "Other" category), indicating that overcrowding may especially be a problem for these groups.

Number of Units Needing Rehabilitation or Replacement

Mountain View, like many of California's metropolitan communities, experienced rapid growth after World War II, and thus has relatively new housing. Only a small percentage of Mountain View's housing was built before 1939. Since much of the City's housing stock is less than 50 years old, and because many property owners are making improvements to their homes in response to the tight housing market, the housing stock in Mountain View is generally in good condition.

In determining the condition of the existing housing stock and the need for its preservation and improvement, the 1990 Census information is not sufficient, because the Census defined unsound buildings as those without plumbing or without kitchens. Few units in Mountain View have these shortcomings, but may need rehabilitation for other reasons. The Census therefore does not provide the level of specificity needed to accurately gauge the housing rehabilitation needs of the community.

A strong economy and a tight housing market have resulted in sharp increases in the demand for housing. This in turn has prompted property owners to invest in properties needing rehabilitation, or developers to purchase such properties for development. As a result, housing units in

Mountain View are, overall, in good condition. In the last three to four years, at least 900 units have undergone major rehabilitation by the building owners.

For low-income homeowners who may not be able to afford repairs to their properties, the City operates a house repair program using its CDBG funds. About 20 owner-occupied units are repaired each year under this program. Furthermore, the City's multi-unit inspection program inspects 3,000 to 4,000 units per year for housing code deficiencies. Deficiencies that are discovered must be corrected. Each year, the City returns to re-inspect and sign off on about 265 of these units with deficiencies.

Despite these City programs and private initiatives, as buildings age or are not well maintained, an increasing number of units may need rehabilitation or may need to be replaced. The City has reviewed the Census data regarding age of housing stock for assistance in determining the number of units in need of rehabilitation or replacement. About 3 percent of the housing stock was built in 1939 or earlier. Most of the housing stock is relatively new, with 36 percent built since 1970 and 55 percent built between 1950 and 1970. A large number of rental units, 57 percent of the rental housing stock, were built between 1960 and 1979. The following table shows the distribution of units by age according to the 1990 Census.

**Table V-7
Age of Housing Stock in 1990
City of Mountain View**

Year Built	Owner Occupied	%	Renter Occupied	%	Total Occupied	%
1980 to March, 1990	1,472	13%	1,867	10%	3,299	11%
1970 to 1979	2,717	24%	4,667	25%	7,498	25%
1960 to 1969	2,491	22%	6,720	36%	9,297	31%
1950 to 1959	3,283	29%	3,920	21%	7,198	24%
1940 to 1949	906	8%	933	5%	1,799	6%
1939 or earlier	453	4%	560	3%	900	3%
Total	11,322		18,668		29,990	

Source: 1990 Census.

Using the assumption that in each age category, an increasing percentage of units is in need of rehabilitation as the stock ages, the City estimates that approximately 1,900 units are in need of rehabilitation, or 6 percent of the housing stock in 1990. Of this figure, about 95 percent can be repaired (1,805 units) while 5 percent must be replaced (95 units).

Analysis of Existing Assisted Housing Projects at Risk

A major accomplishment under the 1990 Housing Element is the City's success during the past 19 years in preserving all but one of the affordable housing units that were at risk of being converted to market rate housing. Five housing developments (Central Park, Monte Vista

Terrace, Shorebreeze, Sierra Vista I, and Tyrella Gardens), totaling 509 units, were preserved as affordable housing. These developments were built over the past three decades, using federal programs that required low-income use restrictions in exchange for federal subsidies. The restrictions on these properties were expiring. After expiration, the owners would have been able to terminate the low-income use of the properties by prepaying the federal loan and converting the properties to market-rate housing. The City used its available CDBG, HOME and local housing funds to help assist non-profit organizations to purchase these properties and preserve them as affordable housing. A sixth project, consisting of 48 units at Villa-Mariposa, was not preserved. It had rent restrictions that expired in March 2001. This project was funded with Mortgage Revenue Bonds.

Another property, 12 family units at Fairchild Apartments, was refinanced by the private property owner under the Title VI low-income Housing Preservation Act and therefore is not currently identified as a property at risk of being converted to market rate housing.

The affordability of the preserved properties, including the Fairchild Apartments, is still dependent upon the continued availability of the Section 8 program. The uncertainty surrounding the funding of this program has created several problems. First, tenants are uncertain from year to year whether the affordability of their units will continue. And second, the non-profit property owners may be deferring maintenance needs due to concerns about the availability of operating revenue from year to year.

The following is a table summarizing the subsidized housing (855 units) in Mountain View.

**Table V-8
Affordable Housing Developments
City of Mountain View**

Development	Total Units	Subsidized Units	Units for Seniors	Income Targeting	
				Very Low <50%	Low<66%
Previously At Risk Units Preserved as Affordable Housing					
Central Park Apts. 90 Sierra Vista Ave.	149	149	148	1	147
Fairchild Apts. 159 Fairchild Drive	18	12	0	12	0
Monte Vista Terrace 1101 Grant Road	151	150	135	150	0
Shorebreeze Apts. 460 N. Shoreline Blvd.	120	120	72	2	117
Sierra Vista I 1909 Hackett Ave.	34	34	0	34	0
Tyrella Gardens 449 Tyrella Ave.	56	56	8	42	14
All Other Affordable Units (Not at Risk)					
Maryce Freelen Place 2230 Latham Street	74	74	0	72	2
The Fountains 2005 San Ramon Ave.	124	123	123	117	6
Ginzton Terrace 375 Oaktree Drive	107	105	107	107	0
San Veron Park 807 San Veron Ave.	32	32	03	23	9

Source: City of Mountain View

Five Year Projected New Construction Needs

Mountain View's "new construction need" incorporates a share of the regional housing needs as identified by ABAG. The regional need includes the existing and projected regional demand for housing, taking into account market demand, employment opportunities, availability of suitable sites and public facilities, commuting patterns, and type and tenure of housing.

Santa Clara County has a jobs/housing imbalance that has resulted in a strong demand for housing and high housing costs. The economy rebounded strongly from the recession of the early 1990s, and, as a result, Mountain View experienced an extremely tight housing market as new high-tech workers have moved into Silicon Valley. Poorer residents have been priced out of once-affordable dwellings by higher income households who are able to afford higher rents. Only since early 2001 has the pressure begun to let up. In addition, the scarcity of land for new development has made building additional new units increasingly expensive.

Employment Trends

Mountain View, like many other cities in Santa Clara County, has a jobs/housing imbalance. In 1990, ABAG reports that the City had 61,490 jobs and 44,054 employed residents; a 15 percent

increase in employed residents over 1980, but only a 3 percent increase in jobs. From 1990 to 2000, this trend reversed as the Silicon Valley job market heated up. Between 1990 and 2000, Mountain View experienced more than a 22 percent increase in jobs and only about an 8 percent increase in employed residents.

Table V-9
Jobs per Employed Resident, 1990-2010⁹
City of Mountain View

	1990	2000	Percent Change 1990-2000	2010	Percent Change 2000-2010
Employed Residents	44,054	47,556	8.0%	50,500	6.2%
Jobs	63,490	77,370	21.9%	84,810	9.6%
Jobs per Employed Resident	1.44	1.63		1.68	

Source: ABAG "Projections 2002"

A very large percentage of Mountain View's population is in the workforce: 78 percent of persons 16 years and over are in the workforce compared to 73 percent countywide. This is reflective of a large percentage of the population being in their prime work years and also the large number of households with all adults working. In addition, 70 percent of the female population is in the workforce, compared to 64 percent countywide.

Like much of the rest of Santa Clara County and the Bay Area, Mountain View has enjoyed low unemployment rates in recent years. The State Department of Employment Development (EDD) shows that the unemployment rate for Santa Clara County in January 2001 was extremely low, at 1.7 percent. However, the economic downturn beginning in early 2001 has lead to a rapid rise in unemployment—to 4.7 percent in July 2001.

The three major components of Mountain View's economy have been manufacturing, retail/administrative and services. ABAG's projections show that Mountain View will enjoy steady growth in all sectors of employment between 2000 and 2010. However, the total number of jobs will increase less than the County as a whole (10 percent versus 13 percent), most likely due to the lack of available sites for new development. The following table shows the expected growth in various employment areas.

⁹ Because 'Jurisdictional' boundary figures are per ABAG for "employed residents," "Sphere of Influence" figures, which include Moffett Federal Airfield, are used for both "employed residents" and "jobs" to provide a more accurate ratio of jobs per employed resident.

Table V-10
Projected New Jobs per Employment Sector¹⁰
City of Mountain View

Sector	Number of New Jobs 2000-2010	Percentage Change 2000-2010
Manufacturing/Wholesale	2,670	11.4%
Retail/Administrative	990	10.6%
Service	750	2.8%
Other Jobs	3,030	17.6%

Source: ABAG "Projections 2002"

Income Trends

Over the past 10 years, household incomes in Santa Clara County have increased at a significantly faster rate than household incomes in the Bay Area. As the incomes of wealthier households have risen, lower income households have been priced out of the already tight housing market. This trend has exacerbated the County's housing crisis.

Table V-11
Change in Mean Household Income, 1990-2010
Santa Clara County Compared to Bay Area
 In Constant 2000 Dollars

	Mean Household Income			Growth Rate	Growth Rate	Growth Rate
	1990	2000	2010	1990-2000	2000-2010	1990-2010
Santa Clara County	\$83,600	\$114,600	\$122,800	39.2%	7.2%	38.3%
Bay Area	\$76,200	\$93,800	\$100,400	23.1%	7.0%	31.8%

Source: ABAG "Projections 2002"

Population and Household Trends

As illustrated earlier, the 2000 Census showed a population in Mountain View of 70,708, an increase of 4.8 percent since 1990. ABAG projects that over the next ten years, the population will increase by about 6.4 percent, slightly faster than in the past. Table IV-2 shows that the number of households grew only 4.2 percent from 1990 to 2000. Over the next 10 years, however, the number of households is projected to increase by 5 percent.

¹⁰ Because 'Jurisdictional' boundary figures are not available per ABAG, 'Sphere of Influence' figures are used, which include Moffett Federal Airfield.

Share of Region's Housing Needs

The Regional Housing Needs allocation process is a State of California requirement, devised to address the need for and planning of housing across a range of affordability and in all communities throughout the State. The State HCD initially projects the state-wide housing need, and then allocates a portion to each region in California. According to ABAG, the regional numbers supplied by HCD are "goals" and are not meant to match the already anticipated growth in housing units. The housing unit need allocation takes into account a desired vacancy rate, potential growth rates (population, jobs, households) and loss of housing due to demolition. The regional goal is then broken into income categories.

Each jurisdiction in the Bay Area (101 cities, nine counties) is then allocated a share of the anticipated regional housing need. The Bay Area's total regional housing need is allocated to each local jurisdiction through a process managed by ABAG.

ABAG used an allocation methodology which is based on the numbers in "Projections 2000". It takes into account both household and job growth during the seven-and-a-half year period from January 1, 1999 through June 30, 2006. This growth is weighted to 50 percent households and 50 percent jobs (jobs/housing balance adjustment) to determine a regional allocation factor (the share of regional growth) to be applied to each jurisdiction. The methodology also distributes a share of housing to each jurisdiction by income category. It does so by moving each jurisdiction's income percentages 50 percent toward the regional average. In essence, each allocation is based on the anticipated growth in a particular jurisdiction and the percentage of the expected regional growth this figure represents.

According to ABAG's November 2000 Regional Housing Needs Determination, Mountain View needs 3,423 new units between January 1, 1999 and June 30, 2006, or an average of 456 new units per year. The actual growth in housing has been much slower—housing production has varied from 15 units in 1990 to 386 units in 2000.

The percentages for the four different income categories are shown in Table V-12 below. ABAG's methodology seeks to avoid further impact on localities that already have relatively high proportions of lower income households. The existing percentage of lower income households in Mountain View exceeds the county and regional averages. Thus, Mountain View's new housing allocations are lower for low-income households and higher for above moderate-income households compared to the percentages for the same categories in neighboring communities.

Table V-12
Seven and a Half Year Housing Need as Projected by ABAG
January 1, 1999 – June 30, 2006

Income Group	Projected Seven and a Half Year Unit Need	
Very Low Income (0–50%)	698	20%
Other Lower Income (50–80%)	331	10%
Moderate-income (80–120%)	991	29%
Above Moderate (over 120%)	1,403	41%
Total	3,423	100%

Source: ABAG, “Housing Needs Determinations,” November 2000.

HCD requires that Mountain View project new construction needs over the next five years. As noted, Mountain View’s housing needs are approximately 456 units per year. This annual figure multiplied by five results in an estimated need for 2,280 units over the next five years (July 1, 2001 through June 30, 2006).

During 1999 and 2000, 660 units of housing were built in Mountain View. These units are affordable to moderate and above moderate-income households. A 110-130 unit efficiency studio development recently approved by the City Council and in the planning stages is projected to be available for occupancy in 2004.

Table V-13
HCD-Required Five-Year New Construction Needs Estimate
July 1, 2001 – June 30, 2006
City of Mountain View

Income Category	Five-Year New Construction Need
Very Low-income	465
Other Lower-income	220
Moderate-income	660
Above moderate-income	935
Total Units	2,280

Source: ABAG, “Housing Needs Determinations,” November 2000.

VI. GOVERNMENTAL CONSTRAINTS

Background

The purpose of this chapter is to fulfill the State mandate "to re-examine local ordinances and policies to determine whether, under current conditions, they are accomplishing their intended purpose or, in practice, constitute a barrier to the maintenance, improvement or development of housing for all income levels."

The State guidelines further note that: "This examination may reveal that in practice the ordinance/policy may require excessive performance standards and/or restrictions, and therefore operates as a governmental constraint. The analysis may also show that certain policies have a disproportionate or negative impact on the development of particular housing types (e.g, multiple-family) or on housing developed for low- or moderate-income households."¹¹

As a part of the analysis, this chapter also describes the City's residential zone districts and development standards and its development review processes.

Analysis

The City's review of potential constraints highlighted only a few areas of concern. With these exceptions, the City does not impose constraints that may be hurdles to developing low- or moderate-income housing.

The review is organized into nine categories.

- Residential zoning
- Land use controls
- Shelters and transitional housing for the homeless
- Housing for disabled persons
- Processing and permit procedures
- Fees and exactions
- On- and off-site improvement requirements
- Codes and Enforcement
- Others

Residential Zoning

Do the land use designations allow for a range of housing types?

The City's General Plan, zoning classifications and Precise Plans allow for a range of densities from about 4 units per acre to about 100 units per acre. As shown in Table VI-1, which begins on page 42, the zoning classifications include both standard zone districts and Precise Plans.

¹¹ "Housing Element Questions and Answers," State Department of Housing and Community Development, September 2000.

Precise Plans are more flexible than traditional zoning. They set broad goals and objectives and establish detailed development and design standards tailored to specific locations and their surroundings. The Precise Plans have the same legal status as traditional zoning in establishing uses and development standards.

Most of the remaining developable residential land is zoned for multiple-family housing (see Table VIII-4 on page 68). Within that category Mountain View allows apartments, condominiums, townhouses and small-lot single-family housing. The only restriction is that in some Precise Plans, small-lot single-family is not allowed because of noise or other environmental considerations, and in some areas, it is discouraged because it does not blend with the surrounding higher density development. Efficiency studios can be built in some Precise Plan areas and in the Commercial/Residential Arterial (CRA) zone district. All residential development in the CRA zone requires a conditional use permit because of potential for conflicts with existing commercial uses, for example auto repair.

In addition to the uses listed in the table, the following uses are allowed as a matter of right in all residential zone districts: factory built housing and mobile homes on a permanent foundation, residential care homes with six or fewer clients, and rooming and boarding houses with no more than two persons. Residential care homes with six or more clients and rooming and boarding houses with more than two persons are allowed with a conditional use permit in all residential zone districts. The use permit requirement allows the City to assess whether there will be parking or other problems associated with a larger-than-normal household in a residential area.

Specialized housing types, such as senior housing and co-op housing, are allowed in the multiple-family zones with a conditional use permit and in some Precise Plans.

Although the zoning ordinance allows companion units to be manufactured (factory-built) housing, it does not say so explicitly. Action 9.c proposes to clarify this provision in the zoning ordinance.

**Table VI-1
Residential Land Use Classifications**

GENERAL PLAN LAND USE CATEGORY	ZONE DISTRICTS AND MAXIMUM DENSITIES	ALLOWED RESIDENTIAL USES	PRECISE PLANS WITH SIMILAR DENSITIES AND USES
<p style="text-align: center;">Low Density Residential (1-6 units per acre.)</p>	<p style="text-align: center;">R1 (1-6 units per acre.)</p>	<ul style="list-style-type: none"> • Detached single-family houses • Companion units on parcels 35 percent larger than the minimum for the zone district. (CUP required) 	<p>El Camino Medical Park (part): 6 units per acre 1101 Grant Road (part): 5 units per acre</p>
<p style="text-align: center;">Medium-Low Density Residential (7-12 units per acre)</p>	<p style="text-align: center;">R2 (7-12 units per acre)</p> <p style="text-align: center;">RMH (8 mobile homes per acre)</p>	<ul style="list-style-type: none"> • Duplexes • Small-lot single-family (maximum density 10 units per acre) (PUD permit required) • Townhouses (PUD permit required) • Mobile homes 	<p>Clark-Marich (part): 10.5 units per acre Evelyn Avenue Corridor (part): 11 units per acre between Villa and Dana Grant-Martens: 7 units per acre Grant-Phyllis Triangle: 12 units/acre</p>

GENERAL PLAN LAND USE CATEGORY	ZONE DISTRICTS AND MAXIMUM DENSITIES	ALLOWED RESIDENTIAL USES	PRECISE PLANS WITH SIMILAR DENSITIES AND USES
<p>Medium Density Residential (13-25 units per acre)</p>	<p>R3-3 (13 units per acre) R3-2.5 (15 units per acre) R3-2.2 (17 units per acre) R3-2 (18 units per acre) R3-1.5 (23 units per acre)</p> <p>Note: Density is for a one-acre parcel. Density increases with size of parcel.</p>	<ul style="list-style-type: none"> • Small-lot single-family (maximum density 10 units per acre) (PUD permit required) • Townhouses (maximum density 14 units per acre) (PUD permit required) • Apartments • Condominiums 	<p>2100 California: 14.4 units per acre California-Ortega (part): 14.4 units per acre Clark-Marich (part): 15.5 units per acre on Marich Downtown Area 6: 25 units per acre on a section of Hope Evelyn Avenue Corridor (part): 15-25 units per acre between Evelyn and Villa Mora-Ortega (part): 14.4 units per acre 394 Ortega: 14.4 units per acre (plus density credit for Hetch Hetchy) San Ramon (part): 14 units per acre 460 Shoreline: Senior and family housing at 22 units per acre</p>
<p>Medium-High Density Residential (26-35 units per acre)</p>	<p>R3-1.25 (27 units per acre) R3-1 (33 units per acre)</p> <p>Note: Density is for a one-acre parcel. Density increases with size of parcel.</p>	<ul style="list-style-type: none"> • Small-lot single-family (maximum density 10 units per acre) (PUD permit required) • Townhouses (maximum density 14 units per acre) (PUD permit required) • Apartments • Condominiums 	<p>Downtown Areas 3, 4 and 6: 30 units per acre. Includes sections of Franklin, View, Hope and upper levels on sections of Castro Evandale: 20-38 units per acre San Antonio Station (part): 30 units per acre Villa-Mariposa: 30 units per acre</p>

GENERAL PLAN LAND USE CATEGORY	ZONE DISTRICTS AND MAXIMUM DENSITIES	ALLOWED RESIDENTIAL USES	PRECISE PLANS WITH SIMILAR DENSITIES AND USES
<p>High Density Residential (36-80 units per acre)</p> <p>Linear Commercial/Residential</p>	<p>R3D (51 units per acre)</p> <p>Note: Density is for a one-acre parcel. Density increases with size of parcel.</p> <p>CRA (43 units per acre)</p>	<ul style="list-style-type: none"> • Small-lot single-family (maximum density 10 units per acre) (PUD permit required) • Townhouses (maximum density 14 units per acre) (PUD permit required) • Apartments • Condominiums • Apartments, condominiums and townhouses, alone or in a mixed commercial and residential development (CUP required) • Efficiency studios (CUP required) 	<p>Americana: 35 units per acre California-Ortega (part): Senior housing at 50 units per acre. Clark-Marich (part): 43 units per acre in mixed use area Downtown Areas 1, 2 and 4: 50 units per acre Downtown Area 2, 3 and 4: 50-60 units per acre for seniors depending on location ECR-Castro Gateway: 43 units per acre in mixed use area 1101 Grant Road (part): Senior housing at 50 units per acre Mora Ortega (part): Senior housing at 50 units per acre Ortega-El Camino Real: 36-100 units per acre depending on acreage San Antonio Station (part): 21-40 units per acre San Ramon: Senior housing at 50 units per acre</p>

Are there enough land use and density categories and do they match well with the local needs?

As a part of the Housing Element update process, the City has identified enough housing sites to meet the local need for housing as defined by ABAG in its “fair share allocation.” Currently, the City estimates that since 1999, the start of the current Housing Element time frame, 1,243 housing units have been built, are under construction, or are in the approval process. It is also estimated that another 1,254 housing units can be built on land currently zoned for residential (assuming buildout at 80 percent of maximum densities, which is somewhat higher than historical development averages of 75 percent). Of those, a small percentage of the units are on land zoned R1 and the rest are on land zoned for multiple-family at various densities. Most of the multiple-family zoned land (and most of the land being considered for rezoning to residential) could potentially accommodate housing for very low and low-income residents—the area of greatest need (see Table VIII-4, page 68).

Do zoning and subdivision requirements match the best possible use of particular sites or areas?

Yes. As a part of the Residential Densities Study conducted from Fall 1999 to Spring 2000, the City reviewed the multiple-family zoned areas to assess whether zoning changes are needed to ensure that new infill housing was compatible with the existing neighborhood. Only one small area (18 parcels in the 6000 to 8000 square-foot range) was changed. A review of the Downtown Precise Plan adopted by the Council in Spring 2000 resulted in some areas being shifted from a predominately retail commercial land use to predominately high density residential use.

Land Use Controls

Are open space requirements compatible with standards used in other communities?

Open space requirements are:

R1 and R2: 50 percent of the required front yard shall be permanently landscaped. (Other standards like setbacks and floor area ratio ensure adequate open space.)

R3: Open area requirement for apartments and condominiums is 55 percent, which includes a minimum of 40 square feet of private open space (yards, decks, balconies) per unit.

R3D: Open area requirement is 35 percent.

The open area requirement for townhouses and small-lot single-family in the R3 and R3D zones is 45 percent of the site. In addition, each small-lot single-family unit must have a minimum 15-foot by 15-foot private yard—which counts toward 45 percent.

A point-by-point comparison of other cities' open space requirements is difficult since the form of the regulations varies considerably. For example, both Sunnyvale and Palo Alto state their open space requirements for multiple-family development in terms of square feet per unit as compared to Mountain View's percentage-of-lot-area requirement. Another way of making a

comparison is to look at building coverage and paving coverage maximums. Open space standards can be estimated by subtracting these coverages from the lot area. Palo Alto and Sunnyvale have a maximum building coverage of 40 percent while Mountain View's is 35 percent. Unlike Mountain View, Palo Alto and Sunnyvale do not have maximum paving coverages, but their parking requirements are similar so maximum paving would be similar. From this information, the open space standards in Palo Alto and Sunnyvale are estimated to be equivalent to about 50 percent. Mountain View's requirement is 55 percent, but balconies and other above-grade recreational open area can be counted as open space, which makes the three cities very similar in their open space requirements.

Do the parking requirements accurately reflect the parking need? For example, the demand for parking in multifamily housing may be lower due to income, or proximity to transit, shopping or work.

Mountain View's parking requirements vary by zone district and use. The requirement for standard single-family homes, small-lot single-family homes and townhouses is two spaces per unit. In addition, there are guest parking requirements for townhouses and small-lot single-family houses since they typically have very little public street frontage available for guest parking. The requirement for companion units is one space per bedroom.

The parking requirement for apartments and condominiums in multiple-family zones is 1.5 spaces per studio unit (except for efficiency studios) and 2 spaces per one-bedroom and larger unit plus 0.3 space per unit for guest parking.

Mountain View reviewed and revised its multiple-family parking requirements in 1996. As a part of its effort, the City hired a consultant to survey multiple-family development to assess whether the standards should be changed. The six projects reviewed representing a total of 1,030 units cover a cross-section of rental and condominium projects of various sizes and locations. The study did not encompass income, transit, shopping or work factors. The average parking ratio in the study was 1.42 parking space per unit. Usage was between 72 and 88 percent of the total available off-street parking supply. Traffic engineers generally consider a parking area to be fully utilized when 85 – 90 percent of the spaces are occupied.

After review by the Planning Commission and City Council, including public testimony about the need for more parking, it was determined that the parking requirement should not be reduced. Fluctuations in the economy, populations and similar factors can influence survey results, so the report recommended that the City keep the more conservative standards to ensure there is adequate parking.

There are exceptions to these standards. The parking standard for efficiency studios is 1 space per unit, but the requirement can be reduced to 0.4 space per unit through a conditional use permit process if the project is near transit, in the downtown, and/or within walking distance of jobs and services. One of the conditions for a use permit is a parking management plan, which limits the number of tenants with cars. The site for the planned efficiency studios development is near transit and within walking distance of jobs and services. A survey of efficiency studio

projects in other cities indicates there is a demand for 0.40 to 0.55 spaces per unit. This survey was a guide for the Mountain View project.

Another exception is for senior congregate care housing where the requirement is 1.15 space per unit. This can also be reduced by a parking study of the proposed project that demonstrates a lower ratio is appropriate.

The City has also approved shared parking on a case-by-case basis. For a 211-unit apartment project currently under construction on El Camino Real (Skyview or Avalon Bay), there is one space for each residential unit plus 200 parking spaces that are shared with an adjacent office project. For another mixed-use (residential/commercial) project on El Camino Real, the guest parking (0.3 space per unit) is shared with the commercial development. At the Crossings, which is next to a Caltrain station, there is one space for each of the 128 condominium units plus 200 spaces that are shared with Caltrain commuters according to a time-of-day agreement.

Since the cost of providing parking negatively impacts the cost of housing, the Housing Element contains an Action 17.e calling for a zoning ordinance amendment that would consider allowing parking reductions for senior and affordable housing on a project-by-project basis. In considering such a reduction, there should be a special study demonstrating the nexus between the need and the reduction.

Do parking standards for mixed-use impose an impediment or incentive for housing?

As noted above, the City has approved shared parking for recent mixed-use projects. The Housing Element contains an Action encouraging that this policy be continued on a project-by-project basis. Mixed use projects are usually of such a scale that it is economically feasible to place parking underground.

What other development restrictions apply?

All of the residential zone districts and most Precise Plans have Floor Area Ratio (FAR) maximums and height limits. In the R1 zone, the FAR tends to constrain the size of individual houses, but the allowed house size is proportional to the lot size and reflects the character of the individual neighborhoods. The FARs, setbacks and height limits in the R3 and CRA zones are compatible with, and do not constrain, the allowed density. The FAR in the R3 zone is 1.05 and the FAR in the CRA zone is 1.35. The height limit for residential in both zones is 45 feet and the height limit for mixed residential and commercial in the CRA zone is 50 feet.

Shelters and Transitional Housing for the Homeless

Mountain View accommodates both temporary shelters and transitional housing within its zoning ordinance.

Emergency shelters are facilities with the primary purpose of providing temporary housing for homeless people. Shelters for the homeless, as well as food kitchens and other temporary emergency personal relief services, are allowed in all zone districts for up to 35 days with a

temporary use permit. The Alpha Omega Rotating Shelter operates at local churches under these provisions. The churches take turns hosting the shelter for a month at a time. Shelters are limited to a maximum of 29 people and shelters must be located in existing structures that meet building code requirements. The application process is quite simple, requiring only the submittal of clear sketches and drawings showing the proposed use and a statement of operations. If the shelter proposes to remain open for more than 35 days, letters of agreement must be obtained from adjacent properties. Longer-term shelters are also permitted in all zone districts without these letters of agreement by means of a conditional use permit.

Mountain View's (and other cities') approach to homeless needs is to provide short-term shelters and programs within the city and to participate in funding permanent shelters and other programs on a regional basis. Mountain View actively participates in these regional approaches which can provide a better range of services to the client population and more efficient use of resources than smaller facilities can provide, allowing more clients to be helped. For example, the City helps fund the Clara Mateo Shelter in Menlo Park (within 10 miles of Mountain View) which houses some clients from Mountain View. It also helps fund the Emergency Housing Consortium Shelter in San Jose.

The "Santa Clara Countywide Five year Homelessness Continuum of Care Plan, 2001-2006"¹² recommends that the capacity of the County's existing emergency shelter system be expanded "in a manner that is flexible and minimizes the need for development of new facilities and infrastructure." Thus, the emphasis is on expansion of existing facilities, rather than locations for new shelters.

Transitional housing are facilities that have the goal of facilitating the movement of homeless people to permanent housing within 24 months. Transitional housing is allowed under the category of "residential care homes." Mountain View currently has two transitional housing facilities—one for adults and one for homeless and run-away teens.¹³ The conditional use permit requirement does not seem to hinder the development of group homes or transitional housing as witnessed by the fact that no such proposed facilities have been denied. When Casa SAY applied for a conditional use permit to increase its beds from six to eight in 1996, it was approved and the City helped to fund the expansion of the facility.

The "Santa Clara Countywide Five Year Homelessness Continuum of Care Plan" recommends expanding the number of transitional housing beds. As noted earlier, residential care homes, including transitional housing, are allowed in all residential zones and in Precise Plans which allow other residential uses. Allowing residential care homes in the CRA zone, which allows other residential uses, will be considered in the next zoning ordinance update which is scheduled for 2003. Rather than governmental constraints, it appears that the biggest obstacle to group

¹² "Santa Clara Countywide Five Year Homelessness Continuum of Care Plan, 2001-2006," Santa Clara County Collaborative on Housing and Homeless Issues, Approved by the Santa Clara County Board of Supervisors, June 26, 2001.

¹³ Technically, one of these facilities, Casa SAY is a shelter, not transitional housing. Teens are allowed to stay at the facility for up to 30 days (rather than one or two years as is the case with transitional housing). However, it is not a shelter as the City defines shelters (allowed to operate for up to 35 days in one location). Therefore, it is included with transitional housing.

homes in general is the cost of housing. A large house formerly used as a group home for developmentally disabled children went on the market a year ago, but was too expensive for any non-profit agency to purchase despite the efforts by the City to find a replacement group home use. Group homes of all kinds are in competition for funds for affordable housing.

Housing for Disabled Persons

An area of particular concern under State law is whether the City imposes regulatory constraints on housing for persons with disabilities, including group homes. Does the City make "reasonable accommodation" (*i.e.*, "modifications and exceptions") for people with disabilities in its zoning, permit processing and building laws as required by federal and State fair housing laws?

A review of Mountain View's zoning laws and permits was recently conducted as a part of a comprehensive study of fair housing in Santa Clara County. This study, released in draft form in May 2002, was commissioned and funded by all CDBG jurisdictions in the county, including Mountain View, to comply with HUD's requirement for cities to conduct analyses of impediments to fair housing.¹⁴ The report concluded that the cities' codes (including those in Mountain View) were in compliance with State fair housing standards, although the authors noted they did not observe how individual permits were processed. In addition, fair housing advocates interviewed for the study generally felt that local officials behaved reasonably in processing applications for the siting of group homes, and other zoning issues.

Mountain View also conducted its own analysis of regulations and processes with the following findings:

- Mountain View conscientiously implements and monitors Title 24 of the California Code of Regulations which are the regulations on access and adaptability for persons with physical disabilities. These regulations, which implement State law, apply to new construction of multiple-family units in buildings having three or more units. When there is a conflict between a Title 24 requirement and a zoning ordinance requirement (for example, the location of a handicapped ramp and a required building setback), the City's Development Services Center identifies the conflict early in the review process and resolves it with priority given to the Title 24 requirement. The approval is administrative and there is no fee.
- Although there are no mandatory accessibility requirements for single-family houses, the City assists physically disabled low-income homeowners with minor accessibility modifications to their homes by funding a Home Access Program.
- The City's parking requirements ensure adequate handicapped parking. In addition, the City has the flexibility to reduce the overall parking requirement for a use with lower-than-normal demand, for example, in special needs housing where the occupants have fewer cars. The reduction can be approved through a conditional use permit which is less stringent than the variance process used in many other cities for review of applications for parking reductions.

¹⁴ "Fair Housing in Santa Clara County," An Assessment of Conditions and Programs, 2000-2002," Empirical Research Group, UCLA, Final Draft, May 12, 2002.

- Groups homes for disabled people are allowed as "residential care homes." As noted above, residential care homes are allowed in all residential zones and in Precise Plans which allow other residential uses. They are not allowed in commercial and industrial zones. Since other residential uses are allowed in the CRA zone with a conditional use permit, it would be appropriate to allow residential care homes under the same standards. As noted above, this change will be incorporated into the next zoning ordinance update which is scheduled for 2003. There are no geographical spacing or siting requirements for residential care facilities. A conditional use permit is required for residential care homes with seven or more residents. As with other use permits, a public hearing is required as part of the approval process. The City has approved all such permits for large group homes that have been submitted to the City.
- Mountain View recently eliminated the term "family" from the zoning ordinance so that, consistent with State law, there is no legal definition of a family that would restrict occupancy of a housing unit to people who are related.

Processing and Permit Procedures

Mountain View's planning process is simpler than in many other cities. Development projects are reviewed by the staff (with assistance from consulting architects), rather than the Planning Commission. Most approvals are granted by the Development Review Committee, some by the Zoning Administrator and the remainder, which are generally large projects, by the City Council. The specific process varies with the type of permit required. As required by the California Environmental Quality Act, most development projects also require environmental review.

All new development is subject to design review by a Development Review Committee composed of City staff and consulting architects. The zoning ordinance specifies the objectives and criteria guiding the design review process. In addition, the City has several types of design guidelines to assist developers. They include R1 guidelines, townhouse guidelines, small-lot single-family guidelines, landscaping and parking guidelines, and guidelines within Precise Plans. A binder containing examples of recently-approved, well-designed projects is available at the counter. Developers are encouraged to schedule informal reviews with the Development Review Committee very early in the process to facilitate review. The Development Review Committee makes the final decision on apartment projects in standard zone districts (and many other smaller projects). For housing projects that require special permits, design recommendations are forwarded to the Zoning Administrator who holds a public hearing, makes findings and determines conditions of approval.

The Zoning Administrator makes the final decision on conditional use permits for companion units, residential care homes, residential developments with four or fewer ownership units, and similar projects. For other types of permits, the Zoning Administrator makes a recommendation to the City Council. These include Planned Unit Development permits for townhouse and small-lot single family projects and ownership units in the Commercial/Residential Arterial zone district if there are more than four units, as well as Planned Community Permits for most development in Precise Plans. The Zoning Administrator's findings and proposed conditions of

approval are forwarded to the City Council for a public hearing and final action. The City Council also makes decisions on subdivisions associated with the various projects.

The City must comply with processing timelines established under the Permit Streamlining Act. Within that legal framework, the City has fairly fast processing times because a large part of the review is carried out by staff. A typical small residential project (less than 10 units) takes three to six months to process including informal design review and CEQA review. Larger projects vary significantly—from 6 months to a year or more depending on whether there are required legislative (General Plan and zoning) changes, the level of CEQA review, and the responsiveness of the project developer and architect. The City allows an applicant to begin the project review process in parallel with applications for General Plan or zoning amendments. This shortens the total project review time and expedites the approval.

It currently takes three weeks to review a building permit application for a single-family house. *Do project mitigations result in housing being built at less than the allowed site capacity?*

Housing is being built at less than the allowed site capacity (about 75 percent) for several reasons. Some of them are inherent in the City review process which takes into consideration that the zoning ceiling is not the goal for each site, but the maximum allowable. The review process considers neighborhood compatibility, site constraints such as lot configuration and environmental factors such as the presence of major trees that must be protected. Other reasons for less than maximum densities come from the private sector, *i.e.*, developer response to market demand. On small infill sites (approximately one acre or less), developers choose to build fewer units than allowed by the zoning. These sites are often too small to be economically feasible for apartment projects, and developers do not want to build condominiums because of construction defect litigation (which is outside of the City's control). However, there is a very strong demand for small-lot single-family houses and therefore developers build and sell them even though zoning allows more units on the site.

On at least one larger site (Whisman Station), construction defect litigation also had a role in steering development toward lower density housing. The developer originally proposed rental apartments, but the City recommended at least some ownership housing because Mountain View has a very high percentage of rental units (58.5 percent). Rather than build condominiums (a higher density form of ownership housing), the developer proposed townhouses and small-lot single-family at least partially because these unit types are less vulnerable to construction defect lawsuits. (Market demand was also a major factor.) As a result, the density was scaled back (to 14.5 units per acre). However, on another site, the City approved a 211-unit apartment project, which has a density of about 100 units per acre. The Housing Element contains several Actions aimed at encouraging or requiring developers to build closer to the maximum density, especially along transit corridors and near jobs (Actions 1.f and 2.d See discussion on pages 76-77.

There is also an Action supporting construction defect legislation. Currently, developers are shying away from attached housing types (primarily condominiums), which are higher density, because of the proliferation of construction defect lawsuits in the last 10 years. Legislation to deter lawsuits while ensuring protection for homebuyers is under consideration.

Fees and Exactions

Do high fees or other exactions result in high-end, rather than lower-cost, housing being constructed?

Major fee categories are planning permit fees, building permit fees, off-site facility charges, subdivision fees, and parkland dedication fees. Staff has reviewed the fees to assess whether they are unusually high and thus result in high-end housing being constructed.

Planning Fees

A 1999 review of planning fees in other nearby cities showed that Mountain View's were generally lower. As a result, the City raised some of its fees, but they remain less than the average of the surveyed cities.

The zoning ordinance allows fees to be waived for efficiency studio projects (and such a waiver has been approved). Action 17.b proposes to initiate the process of further amending the City code to allow waivers or reduced fees for planning approvals and building permits for other kinds of affordable housing projects.

Building Fees

A 1997 survey showed that building permit fees for residential development are near the high end of the range compared to other cities in Santa Clara County. Mountain View's fees haven't been raised since then, while other cities may have raised theirs. Mountain View also does not have a surcharge for Title 24 energy compliance review or other special plan checks. According to the Building Official, there has been no indication from developers that the City's fees are out of line compared to other cities.

This table shows approximate building permit costs for a 1,500 square-foot house in 2001.

**Table VI-2
Building Permit Costs, 2001**

Type of Permit	1,500 sq. ft. unit (\$144,930 to construct @ \$96.62/sq. ft.)
Building Permit	\$1,946.29
Plan Check	1,265.09
Construction Tax	150.00
Plumbing, Mechanical, and Electrical	600.00
Total	\$3,961.38

Park Dedication Fees

Mountain View has had a parkland dedication ordinance since 1972 (revised 1997) (Chapter 42 of the City Code). The ordinance requires a developer to dedicate land, pay a fee in lieu thereof,

or a mixture of both, for park and recreational purposes. Land may be dedicated if a park site has been designated on the property in the General Plan, a Precise Plan or the Parks and Open Space Plan. A fee in lieu of land dedication is required (1) when the development occurs on land on which no park is shown or proposed; (2) where dedication is impossible, impractical, or undesirable; or (3) when the proposed development contains 50 parcels or fewer. In the past 10 years, only one project (Whisman Station) has dedicated parkland. The in-lieu fee calculation is based on (1) the number of units, (2) the type of unit, (3) a formula that will assure provision of three acres of land per 1,000 people in the City of Mountain View, and (4) the fair market value of the land that otherwise would have been required for dedication.

In the past five years, the City has collected \$6.8 million from residential development. During the 1999-2000 fiscal year, the average fee per unit was \$10,711. During 2000-01, the average fee has been \$13,450—with the increase reflecting the rise in the cost of land. The fee is high compared to cities with lower land values. For example, San Jose also uses a formula based on the prevailing fair market value of land in seven different areas of the City. Fees range from \$2,350 for a multiple-family unit in Alviso to \$9,400 for a single-family house in another part of the city.¹⁵ San Jose's fees have not been raised since 1998. Palo Alto does not have a park dedication ordinance. Sunnyvale has a park dedication ordinance similar to San Jose's, with the in-lieu fee calculation based on an annual city-wide (rather than area-wide as in San Jose) review of fair market land values.

Although Mountain View's fees are high, there is a logical nexus between the impact of new residents and the amount of the fee. New residents create an additional demand for parks and recreational facilities, since private open space within developments is generally inadequate to meet those needs. The park dedication fees have enabled the City to have high-density housing and still ensure there is adequate open space for the residents. The fees reflect what the City would have to pay to buy the parkland or expand recreational facilities to serve the new residents. The fees are likely to be higher than other cities because land costs are higher in Mountain View.

The park dedication fee may be a constraint on the development of affordable housing. For example, Ginzton Terrace, a 107-unit affordable senior housing project, paid park dedication fees of \$215,000 (ultimately funded through a CDBG grant). The park dedication ordinance specifically exempts efficiency studios. If the proposed efficiency studios project were required to pay the fee, the fees would be about \$800,000 or \$6,700 per unit, which is about four percent of the total cost of developing each unit.

Companion units are considered by the State to be affordable housing although there is no guarantee that they will rent for below-market rates. The park dedication fee sometimes deters people who are contemplating companion units. The fee for a recent companion unit was \$6,795 which is almost 10 percent of the development costs assuming a 700 square-foot companion unit costs \$70,000 to build (no land costs).

¹⁵ City of San Jose Park Planning Department, May 2, 2001.

An option that could be studied further is to exempt all low and moderate-income housing from the park dedication fee. However, while fees may create a greater burden for affordable housing, it was concluded that the residents of these housing units do create an impact on the park system and the fees are needed to finance an important community amenity. Therefore, an exemption is not proposed in the Housing Element

On/Off-Site Improvements

Mountain View, like many cities in California, is not in a financial position to use its General Fund for improvements needed to support new development, and thus must require residential developers to provide a full complement of on- and off-site improvements. Developer fees cover costs associated with connection to sewer facilities, water mains, storm drains, parkland fees and inspections. The costs shown below apply only to new subdivisions and do not apply to infill development of existing single-family lots. Off-site and subdivision fees will vary greatly depending on whether the street is improved or unimproved, what fees have been paid previously, and the value of the lots.

**Table VI-3
Off-Site and Subdivision Costs, 2000**

	Single-Family ¹⁶ (new subdivision) (per lot)	Townhouse ¹⁷ (infill) (per Unit)	Multi-Unit ¹⁸ (rental) (per Unit)
Sewer Connection	\$1,300	\$900	\$900
Water Connection	1,500	1,100	1,100
Storm Drain Connection	1,000	700	700
Map Checking Fee ¹⁹	100	100	NA
Plan Check & Inspection fee	1,600	1,100	NA
Park Land Fee	15,400	13,100	13,100
Off-site Construction Costs (Approximate)	23,000	15,000	15,000
TOTAL	\$43,900	\$32,000	\$30,800

Codes and Enforcement

The City uses the 1997 Uniform Building Code (UBC) and has no significant requirements above and beyond the UBC.

The City does have a multiple-family inspection program that inspects 3,000 to 4,000 units in 200 complexes per year to ensure that they meet housing code requirements for safety and sanitation.

¹⁶ Fees and costs are based on a 10-unit cul-de-sac development on an unimproved street. The parkland dedication fee is based on an assumed land value of \$1,900,000 per acre.

¹⁷ Fees and improvement costs are based on a 10-unit townhouse development on an unimproved street.

¹⁸ Fees and improvement costs are assumed to be the same as for a townhouse, less costs associated with subdivision, i.e., map fees etc.

¹⁹ Does not include map-filing fee.

Other Governmental Constraints

Mountain View adopted a Below-Market-Rate ordinance in 1999. The ordinance requires that new residential development provide 10 percent of its units at prices affordable to low (for rental) and moderate (for ownership) households. Developers may pay fees in lieu of the units for fractions of units and for ownership units. BMR programs are sometimes perceived as adding to the cost of housing by requiring the market-rate units to subsidize the affordable units. However, according to the consultant advising the City on the BMR program, as well as the consensus of a focus group of local developers at the time the ordinance was being developed, the cost of the BMR program is generally passed on to the property owner selling his land for housing—rather than to the price or rental rate of the housing units. In other words, the price that property owner is offered for his land is lower because of the developer's additional costs for the BMR program.

This issue was raised again as part of the City's consideration of a housing impact fee for commercial and industrial development and the response from industrial developers was the same. Costs are borne by the property owner. The conclusion was also contained in the Nexus Analysis. Furthermore, land prices have risen so quickly that the "subsidy" cost is minor compared to the overall price that the sale of land can command.

VII. NON-GOVERNMENTAL CONSTRAINTS

Non-governmental constraints include a variety of factors. Clearly, the potential list of all constraints on development could be quite long, and might include information on national economic conditions and local environmental conditions. However, this analysis will focus on non-governmental constraints that the City may be able to positively impact.

Financing Availability

The availability of financing can sometimes constrain the development or conservation of housing. According to California's Statewide Housing Plan, home mortgage credit has been readily available at attractive rates throughout the U.S. since the early 1990s. Borrowing costs on fixed rate mortgages during the first quarter of 1999 were at their lowest point in 25 years. The beneficial effects of lower mortgage interest rates on home ownership affordability are profound. For example, with mortgage interest rates at 10 percent, and assuming a 15 percent down payment, a family with an annual income of \$87,300 can qualify to purchase a \$252,000 home. With interest rates at 8 percent, the same household with the same \$87,300 income qualifies to purchase a \$302,000 home. With interest rates at 6 percent, the same household could qualify for a \$369,000 home.

Mortgage interest rates clearly have an influence on homebuyers, especially at the lower incomes. Despite recent substantial cuts in the prime lending rate by the Federal Reserve Board, mortgage rates have generally not decreased at the same rate. Nonetheless, mortgage rates have generally declined since the early 1990s, when the rates were as high as 10 to 12 percent, to the current rates of about 7.0 - 7.5 percent.²⁰

Another issue is whether mortgage interest rates are higher or less available in certain areas of the City, a practice called "redlining." A comprehensive report on fair housing in Santa Clara County, released in draft form in May 2002, concluded that any redlining which is occurring in the county is probably not based on banks' screening out areas that are perceived to be predominantly minority.²¹ This report was commissioned and funded by all of the CDBG jurisdictions in the county, including Mountain View, to comply with HUD's requirement for cities to conduct analyses of impediments to fair housing." The report analyzed data provided by banks under the requirements of the Home Mortgage Disclosure Act.

The ability to accumulate enough funds for a down payment remains a significant obstacle to many potential homebuyers. Lower-income homebuyers may have a difficult time transitioning from the rental housing market to home ownership because of the difficulty in accumulating the required down payment, which can be as much as 20-25 percent of the sales price. In the same way, lower-income households may not be able to find appropriate housing because they cannot accumulate the security deposits as well as first and last month's rent.

²⁰ July, 2001.

²¹ "Fair Housing in Santa Clara County," An Assessment of Conditions and Programs, 2000-2002," Empirical Research Group, UCLA, Final Draft, May 12, 2002.

Another issue is the financing available for the construction of new housing. The State notes that the high levels of risk associated with land development, as well as the lengthy development process, make it difficult for developers to find investors and financing. As a result, potential land investors typically require large premiums over and above other types of real estate investments.

Lenders who make land development loans impose lower loan-to-value-ratios, charge higher rates, and/or require the loan to be a recourse loan. If other, lower-risk lending opportunities are available, lenders may eschew land development loans altogether. Twenty years ago, private lenders would provide construction financing based on a loan-to-value ratio of 80 percent. As federal rules regulating lenders changed in the 1980s, lenders became more conservative in their underwriting practices in terms of their loan-to-value ratios. Although this reduced the risk to lenders, it negatively impacted the ability of developers to find sufficient funding for new development. In some cases in the 1990s, banks were reported to be providing loans of only 50 to 65 percent of the project's value.

There are also some risks that relate to development of raw land, but they do not apply in Mountain View where generally all properties already have access to improved roads, utilities and other infrastructure.

Development Cost

Construction Cost

Escalating land prices and construction costs due to a high demand for housing are major contributors to the increasing cost of housing in the Bay Area. The cost of construction involves two factors: the cost of materials and the cost of labor. The cost of construction varies with the type of new housing and the way it is built. According to ABAG, wood frame construction at 20-30 units per acre is generally the most cost efficient method of residential development. However, local circumstances of land costs and market demand will impact the economic feasibility of construction types.

As noted in the Section V, Housing Needs, a study by the RS Means Company in 1998 showed that California cities have the highest construction cost indices in the nation. Means ranks construction markets according to the cost of labor and materials against a national average represented by the number 100. Indices higher than 100 indicate an expensive construction market. The San Jose market, which includes Mountain View, is 121, 21 percent higher than the national average and the second-highest in California. The indices show that the local cost of labor is 32 percent higher than the national average and the cost of materials is 10 percent higher.

According to the Statewide Housing Plan, a survey of construction costs throughout the Bay Area and the State showed that construction "hard costs" are also highest in Santa Clara County, averaging \$95 per square foot, with soft costs at 30 percent. This means that for a 2,000 square-foot home, construction costs alone equal about \$247,000 per unit.

Cost of Land

The cost of land varies considerably between and within jurisdictions. Market factors, especially the desirability of the location, play an important role in setting property values. According to the Statewide Housing Plan, land costs in Santa Clara County were the highest in the State in 1997, averaging \$40 per square foot. Land costs in Mountain View in 2001 were estimated to be \$45 to \$85 per square foot, with the wide range reflecting both location and density (*e.g.*, a prime Downtown location could be \$85 or even higher).

All of these factors serve to impact the overall cost to produce housing, including affordable housing. The following table shows average development costs for one- and two-bedroom apartments and condominiums in Mountain View in 2001. These are the types of housing most likely to be affordable to low and moderate-income households.

**Table VII-1
Estimated Development Costs per Unit
For Attached Housing in Mountain View**

	One Bedroom	Two Bedrooms
Unit Size	650 sq. ft.	850 sq. ft.
Apartments		
Land	\$35,000	\$40,000
Direct Costs	\$110,000	\$120,000
Indirect Costs	\$35,000	\$40,000
Total	\$180,000	\$200,000
Total per Sq. Ft.	\$275	\$235
Condominiums		
Land	\$40,000	\$50,000
Direct Costs	\$130,000	\$150,000
Indirect Costs	\$45,000	\$50,000
Costs of Sales and Profit	\$35,000	\$40,000
Total	\$250,000	\$290,000
Total per Sq. Ft.	\$385	\$340

Source: "City of Mountain View Jobs-Housing Nexus Analysis," Keyser Marston Associates, Inc., February 2001

There have been no standard single-family subdivisions built in Mountain View in the past 10 years. The single-family houses that have been built are on small lots (2,500 to 4,000 square feet). Development costs for these units are in the range of \$275 to \$325 per square foot.

Other Non-Governmental Constraints

An additional significant constraint to the development of housing is created by individual and community-wide fear of perceived decreases in property values, loss of community character, deterioration of service levels, fiscal impacts, environmental degradation, or public health and safety issues. Although this has historically been true of affordable housing, there have been increasing concerns with market rate housing as well. As neighborhoods become built out, any new or increased density housing may be a perceived threat to the existing residents' quality of life in terms of traffic patterns, level of services provided, and community amenities. Mountain View has generally been successful in addressing community concerns through neighborhood planning efforts, an open public review process on individual projects and careful attention to mitigation of potential project impacts.

Construction Defect Litigation

The threat of lawsuits over real or imagined construction defects deters the building of condominiums and townhouses because they are managed by homeowners associations that may be more willing to sue developers than individual homeowners typically are. Thus, according to this argument, California is deprived of badly needed owner-occupied, affordable, high-density and in-fill housing.²²

²²“Construction Defect Litigation and the Condominium Market,” California Research Bureau, Sacramento, November 1999.

VIII. PROJECTED HOUSING SUPPLY

Background

A key component of the Housing Element is a projection of a jurisdiction's housing supply. State law requires that the Element identify adequate sites for housing, including rental housing, factory-built housing and mobile homes, and make adequate provision for the existing and projected needs of all economic segments of the community. This includes an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.

ABAG requires that the City provide enough land to accommodate a total of 3,423 housing units between January 1, 1999 and June 30, 2006. State law requires that these units be for a variety of income groups, including those with very low, low, moderate, and above moderate incomes. The following table lists how the City is meeting ABAG's "fair share" housing requirement:

**Table VIII-1
Summary of Fair Share Housing**

Total units required by ABAG	3,423
Units built in 1999-2001	- 813
Units approved or under construction (pipeline projects)	- 430
Potential units on existing residentially zoned land (Only a few of these sites are vacant. Most are underdeveloped.)	-1,254*
NET UNITS NEEDED	926
NET UNITS PROJECTED on sites proposed for rezoning or ordinance changes to produce more units.	940*

* Assumes build-out at 80 percent of maximum density on most sites.

The 813 units built between 1999 and 2001 is the number of housing units that have been cleared for occupancy (building permits have been "signed off"). None of these units is subsidized. Most of them (687 units) have been priced to be affordable to persons with above-moderate incomes (above 120 percent of median income). The remainder (126 units) were priced to be affordable to persons with moderate incomes (80 to 120 percent of median income).

The 430 housing units in the "pipeline" are in projects under construction, projects undergoing building permit review and projects that have received planning approval only (have been entitled). As of January 1, 2002, about 360 of the pipeline projects were under construction. They include Avalon Bay on El Camino (211 units), several Downtown projects (60 units) and the Mora Ortega townhouses (60 units). The other "pipeline" units are in projects ranging from 1

to 15 units and are at various points in the pipeline. (Approved projects almost always move to the construction stage.) With the exception of a few Below-Market-Rate (BMR) units priced for moderate-income households, all of the projects are priced at above-moderate incomes. (The 120-unit efficiency studio project aimed at very low income households had not yet been approved on January 1, 2002.)

Less than two percent of Mountain View's total land area is currently vacant or readily developable. In order for Mountain View to meet its Fair Share Housing Allocation, it will be necessary to zone land currently developed as commercial or industrial to residential. Redevelopment is inherently more challenging than developing raw land. There are likely to be environmental issues. There will be older buildings housing small businesses that can not easily relocate to other areas within the city. Converting these commercial/industrial areas to residential could reduce the tax base within the City, which could have a negative effect on City revenues and the ability to fund residential services. The specific areas listed in Table VIII-2 are felt to have reasonable potential for supporting residential use after taking these various factors into account.

The effort to identify new housing sites that could accommodate the additional 926 units needed for the Fair Share Allocation began with a review of every area which was vacant or underdeveloped or where the age or condition of existing development indicated a potential for redevelopment within the next 5 – 10 years. Consideration was given to existing land use, age and condition of development, ownership patterns, infrastructure, and potential environmental constraints. After this review, seven areas, most consisting of multiple parcels, are recommended for rezoning consideration. The recommended sites require rezoning to higher than existing residential densities, rezoning from non-residential zone districts to residential zone districts or ordinance amendments to allow mixed-use in the Neighborhood Commercial zone. These actions are needed to produce the capacity for additional units.

One of these seven areas is not a specific site, but rather a proposed zoning ordinance amendment that would allow some older apartments to redevelop at higher densities, resulting in a net gain in units. While it is not known which specific privately-owned sites would redevelop and take advantage of this increase in density, review of the City's housing inventory identified multiple sites where it is likely that some form of major building upgrade or total reconstruction would occur in the near term.

The following table shows an estimate of the potential increase in units that could be derived through the rezonings and ordinance changes. The estimate assumes that each site will be built out to 80 percent of the maximum allowed by zoning. This is slightly higher than the historical average because of Action 1.f which seeks to increase the number of sites developed at maximum density.

Table VIII-2
Projected New Housing Units from Rezoning and Ordinance Changes

AREA	Potential Units at 80% of Maximum Zoning Capacity
AREA 1: (A) Plymouth/Sierra Vista and	236
(B) Colony/Rengstorff	22
AREA 2: Wyandotte East of Independence	141
AREA 3: Ada/Minaret	101**
AREA 4: Moorpark/Alice	42
AREA 5: Northwest Corner of Moffett/Middlefield	192
AREA 6: Moffett Shopping Center*	31
AREA 7: Higher densities at sites with older apartments	175
TOTAL	940

* Not adjusted to 80 percent

** Net increase over existing zoning

The State requires that each potential housing site be evaluated based on the availability of infrastructure (including water, sewer, transportation, parking, and public parks) and any environmental constraints, such as traffic, noise or toxics. Although Mountain View is already almost fully developed and all of the sites are infill, each site was analyzed to ensure that infrastructure in the vicinity was adequate for redevelopment. In addition, an Initial Study of potential environmental impacts was prepared.

Appendix B, which provides more detailed information about each area, shows that there is adequate water and sewer capacity for each area. Minor street right-of-way dedications and improvements may be needed for three areas. The Initial Study concluded that there were no environmental impacts that would rule out any of the sites for future residential use, although several areas will require more specific analysis, noise in several areas and hazardous materials in one area, at the time of rezoning. An Action item (1.e) proposes to limit hazardous materials use within and near the industrial areas proposed to be rezoned for housing so that new hazardous uses do not move in prior to redevelopment.

Existing Commercial/Industrial Areas (Areas 1, 2 and 6)

AREA 1: (A) Plymouth/Sierra Vista and (B) Colony/Rengstorff (13.7 acres)
 AREA 2: Wyandotte East of Independence Avenue (8.85 acres)
 AREA 6: Moffett Shopping Center (1.67 acres)

These sites generally contain existing small businesses and/or appear to be underutilized.

Areas 1 and 2 are in the MM (General Industrial) zoning district and could be rezoned to medium high density residential as has occurred elsewhere in Mountain View in the past 5-8 years. The Crossings, 360 units at 21 units per acre, was previously a shopping center, and

Whisman Station, 503 units at 14.5 units per acre, was previously a part of the GTE campus. The general concerns related to conversion of commercial or industrial properties to allow future residential use apply to these properties. On the other hand, the buildings in these specific areas are significantly older, in general, than other industrial development in the City and, so, are closer to the end of their economic and practical building lifetimes. Rezoning would reduce land use conflicts between the existing industrial and adjacent residential land uses and would enlarge the existing residential neighborhoods. Both sites have significant potential for adding to the community housing stock.

Area 1(A) (Plymouth/Sierra Vista) contains 21 parcels ranging in size from 0.22 to 1.61 acres. The large number of small-sized properties under separate ownerships will make land assembly challenging. This area already contains some residences that are located on the south side of Colony Street. The area west of Area 1(A) (between Rengstorff and Sierra Vista) is currently residential. Changing Area 1(A) to residential would strengthen this neighborhood and extend it to U.S. 101. This change would eliminate existing land use conflicts and reduce truck and commercial traffic through this neighborhood. Any new residential use in Area 1(A) would require additional buffering and/or sound walls to reduce noise from Highway 101 and possibly from businesses on Old Middlefield Way in the neighboring Service Commercial zone. The City has acquired land for a future park at the corner of Sierra Vista and Plymouth, within Area 1(A).

Area 1(B) (Colony/Rengstorff) is an industrial building on two parcels at the corner of Rengstorff Avenue and Colony Street. It is bounded by residential uses on three sides and commercial on the fourth.

Areas 1(A) and 1(B) are recommended for R3-2 zoning (18 units on one acre of land²³), which is compatible with surrounding properties. Higher density zoning could be considered for the easterly end of Area 1(A) adjacent to the freeway to enable mitigation expenses to be spread among more units. The higher density would also facilitate larger buildings that, in themselves, provide a noise buffer for the remaining area.

Area 2 (Wyandotte Avenue east of Independence Avenue) is primarily on the north side of Wyandotte Avenue, across the street and adjacent to an existing residential area near Rengstorff Avenue. (There are also three parcels on the south side of Wyandotte.) There are currently some older residences located in the area. Area 2 is recommended for R3-2 zoning (18 units on one acre of land), which matches the zoning of the surrounding parcels.

Area 6 (Moffett Shopping Center) is a retail center with neighborhood-serving businesses. It is zoned CN. The proposed change is to allow (but not require) mixed use with residential in this location. Based on the average density of two current mixed-use developments along El Camino Real (19 units per acre), approximately 31 units could be built at this 1.67 acre site. Although some of the existing neighborhood-serving businesses might be displaced as a result of redevelopment, a mixed-use development could improve site planning and building design while allowing existing or new businesses to relocate here. Action 1.c recommends mixed-use in other

²³ Density is calculated on a sliding scale which increases as the size of the site increases. For example, a one-acre site in the R3-2 zone has a density of 18 units per acre while the density on a two-acre site is 20 units per acre.

Housing Sites



areas zoned CN which could create the potential for additional residential units. These areas have not been studied and therefore the potential units are not included.

Existing Residential or Vacant (Areas 3 and 4)

AREA 3: Ada/Minaret (4.64 acres)

AREA 4: Moorpark/Alice (2 acres)

Areas 3 is a vacant site, while Area 4 has existing housing that could be potentially redeveloped at higher densities.

Area 3 (Ada/Minaret) contains two separately-owned parcels, one of which has a very large “hole” created by gravel extraction from the site in the 1930s. It is surrounded by other R3 residential areas ranging in density from about 10 to 20 units per acre. Area 3 is recommended for R3-1 zoning (33 units per acre on a one-acre site; 41 units per acre on this 4.63-acre site at 100 percent buildout) which is somewhat higher than the zoning of adjacent parcels. Development at this site could utilize the large “hole” at the site for underground parking, which would allow for higher densities at the site while still yielding building heights compatible with the adjacent two-story apartments and townhouses. Development of apartments would require the standard environmental review and approval of a Development Review Permit. If condominiums were proposed, a subdivision would be required as a part of the approval process. Some street right-of-way dedications and street improvements will be necessary. Ada is only a half-street.

Area 4 (Moorpark/Alice) is an isolated pocket of older single-family homes on various small parcels, and is surrounded by high density R3 properties, Highways 237 and 85, some single-family houses and a mobile home park. Area 4 is recommended for R3-1.25 zoning (27 units per acre on one acre of land), which is consistent with the zoning of adjacent parcels. As with Ada/Minaret, it is expected that development of apartments would require the standard environmental review and approval of a Development Review Permit. If condominiums were proposed, a subdivision would be required as a part of the approval process. Since the parcels are all individually owned, property owners would have to voluntarily merge their parcels (as several have proposed) or sell them individually to a developer. Some street right-of-way dedications and street improvements will be necessary.

Vacant Land with Public Facility (PF) Zoning (Area 5)

AREA 5: Northwest Corner of Moffett/Middlefield (6 acres)

Area 5 (Northwest Corner of Moffett/Middlefield) is vacant land owned by the federal government and managed by the Army Corps of Engineers. It is surrounded by residential uses. Area 5 is recommended for a density of 40 units per acre because the approximately 6-acre parcel, standard lot configuration, and boundaries of major arterials provide a good opportunity for a higher density development.

The City Council has expressed interest in working with the Army to develop affordable housing at this site and federal representatives have been receptive. In 2002, the Army began a process to privatize the military housing it operates at and near Moffett Field under the Residential Communities Initiative (RCI). The vacant Moffett/Middlefield property is part of this military housing. As part of the RCI process, the Army will select a developer to prepare a Community Development and Management Plan that includes development, financial and management components. During the preparation of this plan, the developer is to confer with Congressional oversight committees as well as representatives from the local communities and other Army and Defense Department organizations to ensure the needs of all interested parties are addressed. The City expects to use this opportunity to work with the Army and developer regarding the City's interest in obtaining title or beneficial use of the parcel, exploring some kind of joint venture (e.g., housing, child care) or other yet-to-be-defined options that would benefit both the military and the community. It is expected that the development plan for the military housing and vacant land will be complete by late 2003.

Zoning Ordinance Amendment to Allow Higher Densities for Older Apartment Buildings

AREA 7: Higher Densities at Sites with Older Apartment Buildings (no specific sites)

Area 7 is not a specific site, but a program to consider rezoning or other zoning ordinance changes that would allow older apartment buildings to be redeveloped at higher densities. Redevelopment at higher densities would not only result in more units but would also update and improve site planning and design. While rebuilding with new apartments would remove these generally affordable units, it is likely that the older buildings would be rehabilitated anyway in the next five to 10 years, and rents would increase. This has happened to about 900 units in older buildings in the past few years. They include two very large projects (151 Calderon with 294 units and 100 N. Whisman with 354 units) and three smaller projects on California Street (total of 150 units). Although the buildings were physically upgraded, the parking, open space, setbacks and site plans in general have not been brought up to current standards. By encouraging redevelopment rather than rehabilitation, some units would be preserved as affordable through the City's BMR program.

To assess the potential for redevelopment under this program, staff searched its housing data bases for examples of sites that would be good candidates for redevelopment. Criteria for the search included sites greater than one acre that contained existing apartments older than 30 years and that would generate more than 20 net new units each when redeveloped at densities compatible with the neighboring properties. In this test of the potential benefit of this type of zoning ordinance amendment, about 175 net new units (increase over the existing number of units) was found to be realistic.

Apartment buildings in Mountain View may need further aging and deterioration before it is economically feasible to demolish and replace them with higher density buildings. Creating an incentive through an increase in potential density upon redevelopment may encourage quicker and more complete upgrading of older apartment areas than would normally occur through the market place.

Taken together, the seven sites will accommodate approximately 940 potential housing units, which is based on buildout at 80 percent of the maximum allowable density. They would provide sufficient sites at appropriate densities to allow development of the number of units required by ABAG to meet the City's 3,423 unit "fair-share" of regional housing.

Table VIII-3
Summary of Units To Meet "Fair Share"

Units Built 1999-2001	813
In Pipeline	430
Currently Zoned Sites	1,254
Proposed Sites	940
TOTAL	3,437

In addition to these sites, the Housing Element also identifies a 25-acre site at the corner of San Antonio Road and Central Expressway as having potential for housing and other uses if redevelopment is initiated by the property owner (Action 1.d). The property owner, Hewlett-Packard, has decided to close its office and training facility on the site, but has not determined whether to sell it as is or to sell it for redevelopment.

Another objective of the Housing Element is to provide a balance of housing units by affordability level. The affordability of housing is determined by many factors, but one of those factors is density. In very broad terms, higher density housing is more affordable than lower density housing. However, it should also be noted that at any density, the private market is likely to produce housing that is affordable only to households earning approximately the median income or above. Density will need to be coupled with other financial assistance programs as identified in the Goals, Policies and Actions of this Housing Element to produce housing affordable to lower income households. The following table summarizes the development potential in each of three density ranges that generally correspond with lower, moderate and above-moderate income units.

Table VIII-4
Housing Sites and Units by Density Ranges

Sites with Higher Density Zoning (More than 20 units per acre)

Zoning (Zone Districts, Precise Plans)	Zoning Density (Units/Acre)	Potential Units at 100%	Potential Units at 80%	FAIR SHARE
<i>Sites with higher density zoning (20+ du/ac) for low and very low income projects</i>				
<u>Existing Zoning</u>				
R3-1.5	23	20		
R3-1.25	27	6		
R3-1	33	25		
CRA	43	150		
Villa Mariposa PP	30	50		
Evandale PP	20-38	120		
Evelyn Corridor PP	15-25	155		
Whisman PP	15-25	60		
Downtown PP	Varies: >20/acre	320		
San Antonio PP*	60	120		
Subtotal		1,026	845*	
<u>Proposed Sites</u>				
Ada/Minaret (R3-1)	33	124	101	
Moorpark/Alice (R3-1.25)	27	53	42	
NW Corner Moffett/Middlefield	40	240	192	
Policy on higher densities in MF zones		233	175	
Subtotal		650	510	
Total Potential			1,355	
Units Built 1999-2000			0	
In Pipeline			0	
TOTAL POTENTIAL FOR HIGHER DENSITY UNITS			1,355	1,029

*Assumes buildout of efficiency studios at 120 units (100%)

Sites with Moderate Density Zoning (13 to 20 units per acre)

Zoning (Zone Districts, Precise Plans)	Zoning Density (Units/Acre)	Potential Units at 100%	Potential Units at 80%	FAIR SHARE
<i>Sites with moderate density zoning (13-20 du/ac) for moderate-income projects</i>				
<u>Existing Zoning</u>				
R3-2.5	15	17		
R3-2.2	17	15		
R3-2	18	140		
R3-3	13	60		
394 Ortega PP	14.5	18		
Mora-Ortega PP	14.5	80		
Subtotal		330	264	
<u>Proposed Sites</u>				
Plymouth/Sierra Vista (R3-2)	18	323	258	
Wyandotte (R3-2)	18	176	141	
Moffett Shopping Center		31	31*	
Subtotal			430	
Total Potential			694	
Units Built 1999-2000			126	
In Pipeline **			371	
TOTAL POTENTIAL FOR MODERATE DENSITY UNITS			1,189	991

Buildout based on other mixed use projects

Sites with Lower Density Zoning (Less than 13 units per acre)

Zoning (Zone Districts, Precise Plans)	Zoning Density (Units/Acre)	Potential Units at 100%	Potential Units*	FAIR SHARE
<i>Sites with lower density zoning (less than 13 du/ac) for above moderate income</i>				
<u>Existing Zoning*</u>				
R2	12	46	46	
R1	6	115	105	
Subtotal		161	145	
Units Built 1999- 2001			687	
In Pipeline			59	
TOTAL POTENTIAL FOR LOWER DENSITY UNITS			891	1,403

* Assumes buildout to maximum based on past experience

TOTAL ALL CATEGORIES			3,437	3,423
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This table shows that there is enough land zoned (or potentially rezoned) at 20 or more units per acre to support up to 1,355 higher density housing units. This is the density needed for low and very low-income housing units and demonstrates that the City has provided sufficient land zoned at the appropriate densities to meet its "fair share" obligation. Whether these units would be

built for low and very-low income households depends on the availability of funding. The table also shows that there is enough land zoned (or potentially rezoned) at 13-20 units per acre to support 1,191 housing units (some of which have already been built). Combined with market-rate housing built at densities higher than 20 units per acre, this demonstrates that the City has provided sufficient land zoned at the density needed to support its "fair share" of moderate-income units. Also, there is enough land zoned at less than 13 units per acre to provide 891 above-moderate income units (most of which have already been built or are in the pipeline). Combined with market-rate housing built at higher densities, the City can meet its "fair share" of above-moderate income housing.

IX. PRESERVATION OF ASSISTED HOUSING

Background

State Housing Element law requires that all Housing Elements include information about the number of existing subsidized housing units that are “at-risk” of conversion to other, non-low-income housing uses (such as market-rate housing). This resulted from concerns that many affordable housing units across the country were converting to market rate because their government financing was due to expire or could be pre-paid. When the financing is pre-paid or expires, the restrictions on rent limits also disappear and the units can be converted to market-rate housing or other uses.

Subsidized Housing in Mountain View

A major focus of housing efforts in Mountain View during the past 10 years, has been the successful preservation of all but one of the affordable housing projects that were at risk of being converted to market rate housing. These developments were built over the past three decades, and their use restrictions were expiring. The City used its available CDBG, HOME and local housing funds to assist non-profit organizations to purchase these properties and preserve them as affordable housing. The five housing developments that were preserved were Central Park, Monte Vista Terrace, Shorebreeze, Sierra Vista I and Tyrella Gardens, with a total of 509 units. The 48 units at Villa Mariposa financed with Mortgage Revenue Bonds were not preserved. (See Table V-8 on page 35.)

One property, Fairchild Apartments, was refinanced by the private property owner under the Title VI Low Income Housing Preservation Act and therefore is not currently identified as a property at risk of being converted to market rate housing. *There are no remaining units at-risk of conversion to market rate during the 10-year study period required in Housing Element Law.*

The affordability of all of these properties is still dependent upon the continued availability of the Section 8 program. The Housing Element includes an Action that calls for the City to monitor, promote and lobby for the Section 8 program (Action 13.e).

X. ENERGY EFFICIENCY

Background

Energy supply, use and conservation emerged as a major statewide issue in 2001 as the Housing Element was being updated. The availability of energy has affected almost every aspect of life. However, the Housing Element focuses only on those parts of the issue that apply to housing and, specifically, the City's role in seeing that energy is used efficiently.

The relevant Housing Element issues include:

- How communities can be designed to accommodate alternative modes of transportation, including walking, bicycling and public transportation.
- How houses can be constructed to conserve energy.
- How the City's zoning standards can accommodate small energy generating devices without impacting other residents.
- How lower income households can obtain financial assistance with utility bills and to improve energy efficiency in their homes.

Community Design

Mountain View has been a leader in facilitating transit-oriented development around rail stations. Over 1,000 housing units have been built at the San Antonio and Downtown Caltrain stations and at the Whisman light rail station since 1994. These projects, as well as other housing developments, are designed with narrow streets, bike routes and lanes and sidewalks that lead to transit stations and commercial services. These designs reduce dependence on the auto. Trees are required along the streets and in parking lots to provide shade and reduce heat build-up.

Building Design

Improved energy conservation can be obtained through designs that take advantage of solar energy and natural ventilation. These design elements include building orientation, shading opportunities, daylight access, overhangs and other features. The City can play a role in emphasizing energy-conserving designs in its normal design review process.

Every city is required to comply with Title 24 of the California Administrative Code. This is the portion of the Uniform Building Code that establishes specifications for insulation, glazing, heating and cooling systems, water heaters, swimming pool heaters and other elements of building construction that can help save energy. Mountain View attempts to implement all new requirements as quickly as possible. To make compliance easier, the City provides clear and understandable instructions and compliance forms for builders. A streamlined review process (with no special energy fees) also ensures compliance.

Another component of building construction and remodeling where energy savings can be achieved is through recycling of demolition debris and unused materials. Rather than haul them to the landfill, these materials can often be recycled. The City can assist by developing programs that encourage and facilitate recycling. The City can also investigate "green building" techniques, which are environmentally friendly.

Home-Based Energy Generating Devices

While solar panels (primarily for heating water) have been in use for about 30 years, new types of small-scale energy generating devices are entering the field—such as photovoltaic cells and even wind generators—that produce significant amounts of a home's electricity. Mountain View, like most cities, did not anticipate the use of these devices in individual homes and therefore does not have zoning standards to accommodate them. On the other hand, Mountain View's zoning ordinance also does not prohibit them and the City has been approving devices that fit within the allowed building envelope of a residential structure. In order to clarify the approval process for homeowners who wish to install energy-generating devices, the City's zoning ordinance should be revised to specifically indicate where and how they could be installed. The new standards should ensure that the home-based electrical systems are safe and do not create noise, glare, visual or other impacts on adjacent residences.

Low-Income Households

High utility bills are a concern for everyone, but they especially affect the affordability of housing for low-income residents. There are a number of programs offered through Pacific Gas and Electric (PG&E), the power utility serving Mountain View, and non-profit organizations that subsidize the cost of utilities for qualifying lower income households.

For financial assistance, PG&E has the CARE (California Alternate Rates for Energy) program that provides a 20 percent discount on monthly energy bills for low-income households and non-profit group living facilities. For one-time energy bill assistance when there is a sudden, unexpected financial hardship, PG&E provides assistance through the Salvation Army. Economic and Social Opportunities, Inc. (ESO), a non-profit organization that serves Santa Clara County, administers the Low-Income Home Energy Assistance Program (LI-HEAP) which are federal funds also available to help low-income households pay their utility bills.

Both PG&E and ESO also have weatherization programs that provide for the installation of weather stripping and insulation and door and furnace repairs. The City contracts with ESO to provide these services to low-income Mountain View homeowners along with its Home Access and Home Repair Program. PG&E has its Energy Partners Program that also provides free weatherization services to lower income homeowners.

In addition to programs that serve individual households, the City has funded energy-saving improvements (such as a new boiler) at lower income housing projects with its Community Development Block Grant Program funds.

ENERGY-RELATED GOALS, POLICIES AND IMPLEMENTING ACTIONS

The Goals, Policies and Actions state the City's policies and implementing actions relating to energy efficiency for housing. Since most new residential development in the community will be infill development on relatively small lots, the emphasis is on ways to conserve energy within a structure or add alternative energy producing devices to structures. Infill development is often constrained by lot size and shape so that it is difficult to position buildings specifically to maximize solar orientation.

XI. DESCRIPTION OF PROGRAMS

Background

Housing Element law requires that jurisdictions describe existing and proposed programs to address the housing needs it has described. Specifically, the State is looking for a description of the myriad ways a jurisdiction can address housing concerns in the community, both from a land use and from a programmatic standpoint. Many of these programs are designed primarily to address affordability issues, as the cost of housing is a significant impediment to homeowners and renters alike.

Land Use Programs

Below-Market Rate (BMR) Program

The BMR Ordinance was adopted by the City Council in 1999 to provide new affordable housing in Mountain View. The BMR Ordinance requires that developers set aside 10 percent of all new housing units for low and moderate-income persons or pay an in-lieu fee instead of providing the units. The in-lieu fee is then used to build new affordable housing in Mountain View or support other affordable housing programs.

BMR ownership housing is targeted to moderate income households earning between 80 and 100 percent of the median household income. BMR rental housing is targeted to low-income households earning between 50 percent and 80 percent of the median household income. In addition, the City Council has adopted a priority system for BMR units that gives preference to the households in the following order.

1. Mountain View public safety employees.
2. Public school teachers who work in Mountain View
3. Households who have lived in Mountain View for at least two of the last four years.
4. Households who have worked in Mountain View for at least two years.

BMR in-lieu payments are deposited into a Housing Fund and can be leveraged with other funding sources to produce a substantially higher number of affordable housing units than would be built by a developer under the BMR program. Non-profit organizations have had substantial success in using the City's CDBG and HOME funds to leverage other funding sources, such as tax credits and tax-exempt bonds. For example, the City provided \$1 million for the acquisition of the Shorebreeze Apartments which was leveraged to produce \$9 million in additional funding. The in-lieu fees also provide more flexibility for the City to focus funding resources on the type of affordable housing most needed by the community.

In the first two years since the BMR ordinance was adopted, there were 13 approved projects that would result in a total of five BMR units and \$1.7 million in in-lieu fees.

Housing Impact Fee

In January 2002, the City Council adopted a housing impact fee that new commercial and industrial development must pay to mitigate the impacts of additional jobs on the housing supply. A fee of \$6 per square foot applies to office/high tech/industrial buildings and \$2 per square foot is the fee for commercial/retail/entertainment buildings. (There are lower fees for buildings under certain threshold sizes.) Fees that are collected will be used for housing projects and programs for low and moderate income households.

Density Bonus

The zoning ordinance was revised in April 2000 to include a 25 percent density bonus for projects that provide 20 percent low-income, 10 percent very low-income or 50 percent senior units. The City's density bonus provision is consistent with State law requirements to provide additional incentives including a reduction in site development standards (setbacks, coverage, parking), approval of mixed-use zoning if non-residential land uses will reduce the cost of the housing project and other regulatory incentives or concessions. The density bonus provision was part of a comprehensive update of residential zoning standards.

Even before the provisions were added to the ordinance, the City had advised developers about the availability of a density bonus under state law. However, there was little interest from developers. It may not be financially feasible for developers to build the required percentages of low-income, very low-income or senior housing needed to qualify for a 25 percent density bonus except when there are government subsidies. Developers have also expressed concern with the length of time units are required to be held at “below market” rates, the potential for neighborhood opposition to the entire proposed project due to the inclusion of higher density and lower income residents, and potential environmental impacts of the higher densities.

Second Units

The requirements for second units (companion units) in Mountain View were amended in April 2000. The minimum lot area required for second units was reduced from 50 percent larger to 35 percent larger than minimum lot size required within the applicable zone. The 10,000 square-foot minimum lot size requirement was also eliminated. The changes increased the potential number of properties eligible for a second unit from 265 to 465. The City had been receiving one or two applications for second, or companion, units per year. The ordinance has only been in effect for one year so it is too early to tell whether it will encourage new applications. A new Housing Element Action (10.e) proposes to disseminate more information on the City's companion unit opportunities. Another new Action (9.c) proposes that the zoning ordinance be revised to clarify that it is possible to use manufactured housing for companion units.

Maximizing Densities

An analysis of residential projects built in the past five years shows that the average project is built to about 60 percent (small-lot single-family) to 75-80 percent (downtown condominiums

and rowhouses) of the maximum densities allowed. The reason for this is partly environmental, site and neighborhood design influences, but it is also often driven by market demand and decisions by developers to build lower density single-family houses, rather than higher density apartments and condominiums. Two Actions included in the Housing Element are aimed at increasing the proportion of sites developed at maximum densities. One would require that the Zoning Administrator review and act on all projects proposed with less than the maximum density to ensure the reasons are extenuating circumstances such as lot configuration. It would also encourage maximum density near transit corridors and job centers (Action 1.f).

The other Action says to continue to provide appropriate incentives, including the more expeditious review process available to apartments and condominiums as compared to the PUD permit process required for lower density townhouses and small-lot single-family projects, to encourage development at maximum densities (Action 2.d) The City's development review process incorporates incentives for higher density projects in that there are fewer approvals required for apartments and condominiums as compared to townhouses and small-lot single-family projects. Under the City's development review processes, apartments need only DRC approval. Condominiums have an additional step which is subdivision approval by the City Council. However, townhouses and small-lot single-family developments have one more step which is approval of a Planned Unit Development (PUD) permit.²⁴ A PUD must be reviewed by the DRC, the Zoning Administrator and the City Council. The fees for PUD review are also significantly higher than for standard reviews. The Action also says to update development application materials to highlight and promote the simpler review process for higher densities.

Transit-Oriented Development

Mountain View has developed a reputation for excellent transit-oriented developments. The City received a national award for implementation of transit-oriented development from the American Planning Association in 2002. More than 1,000 housing units have been built at the San Antonio Station, the Downtown Station and the Whisman light rail station in the last eight to 10 years. Precise Plans are used to spell out the requirements for areas near stations. Some of the City's remaining undeveloped residential areas are in Precise Plan areas near transit stations.

Mixed Use Development

Mountain View encourages and allows mixed use development in its Commercial/Residential Arterial (CRA) Zone District, which is found primarily along El Camino Real, and in a number of Precise Plans in commercial areas and near transit. Mountain View's oldest project is "Two Worlds" (15 units per acre) on El Camino Real. In the past five years, there has been a surge in mixed use projects, including a former bowling alley site on El Camino Real (19 units per acre); Park Place (second phase) in the Downtown Precise Plan (53 units per acre), and the Crossings rowhouse area (38 units per acre) in the San Antonio Train Station Precise Plan. A fifth project is under construction (21 units per acre) and another has been approved (22 units per acre), both

²⁴ A PUD is a commonly-used planning tool that allows for non-traditional or unique site plan design provided that the project is in substantial compliance with the purpose and intent of the zone district in which it is located.

on El Camino Real in the CRA zone. All of these projects combine medium to high density housing with retail, offices or personal service uses.

Increasing developer interest in mixed use prompted the City to review and revise the residential and mixed use standards in the CRA zone in 2000. The CRA zone encourages mixed use by allowing high densities (up to 43 units per acre) and higher than usual Floor Area Ratios. The zone also accommodates the special design features of mixed use with flexible height, open space and pavement coverage limits. Shared parking is allowed on a case-by-case basis. While changing other standards, the City retained the requirement for a conditional use permit for residential uses so that each proposed location could be considered in the context of adjacent uses. The CRA zone is fully developed with many auto-oriented businesses (auto repair, outdoor sales, fast food restaurants) and residential development is not suitable everywhere.

The Precise Plans that allow mixed use are the Downtown, San Antonio Station, Whisman Station, and five Precise Plans along El Camino Real.

Action 3.a urges continuation of higher density mixed-use development in the CRA, downtown and near transit. Action 1.e proposes to allow mixed-use in the City's Neighborhood Commercial areas as well.

Condominium Conversion Ordinance

Mountain View has a condominium conversion ordinance to protect existing rental units from conversion to ownership housing. The ordinance specifies that the number of rental units cannot fall below 15,000—the number of rental units that existed in 1979 when the ordinance was adopted. The BMR ordinance also applies to condominium conversions.

Shared Parking

Mountain View has allowed parking to be shared between residential and commercial developments and between a residential development and a Caltrain station on a case-by-case basis. The Housing Element contains an Action (17.d) that allows the practice to continue.

Programmatic/Subsidy Assistance

Funding for New Development/Rehabilitation

The City's housing programs have been funded from the City's Downtown Revitalization District tax increments, the federal CDBG and HOME programs; private sector investment and lenders. (There are few state housing fund programs that Mountain View has qualified for.) Programs related to federal funding sources are detailed in the "Consolidated Plan," a separate document required by HUD that brings needs and resources together in a coordinated housing and community development strategy. Programs related to the City's Downtown Revitalization District housing set-aside funds are detailed in its "Five-Year Implementation Plan." That Plan projects revenues of \$1,880,952 for housing between 1999-00 and 2003-04. Of that amount, \$809,000 has been committed to the efficiency studio project. The Implementation Plan shows

that the remainder could be used to preserve 50 units of low and very low income housing, although it is noted that this is only an example of possible programs.²⁵ In 2002, the City revised its projections through 2005-2006 with a new estimate of \$3.7 million in set-aside funds for the 1999-00 to 2005-06 time period. These projections could be adjusted downward by potential State legislation regarding Redevelopment District revenues. The Downtown Revitalization District "Five-Year Implementation Plan" has not yet been revised to reflect the increase. The additional revenues may provide more flexibility for funding other types of housing projects.

The City's CDBG and HOME entitlements have stayed basically flat, with only small cost-of-living increases. However, in the Bay Area, the cost of housing has increased dramatically over the past two years and there has been a corresponding increase in the cost for affordable housing.²⁶ CDBG/HOME funding buys fewer affordable units now than it did several years ago. Mountain View has added the local BMR program and housing impact fees to help it maintain the existing levels of funding for affordable housing projects and programs. In addition, several Housing Element Actions call for investigating new local sources of funding, including the North Bayshore Community Fund (Action 14.b) and as many other sources as possible (Action 14.i).

The various funding sources have different restrictions on their use. CDBG/HOME funds and revitalization district housing set-aside funds have been used to preserve at-risk subsidized projects and new low-income housing such as Ginzton Terrace and the efficiency studios. BMR in-lieu funds and housing impact fees can be used for a wider variety of affordable housing programs. For example, the BMR funds can help with first time home-buyer programs and contributions to the Santa Clara County Housing Trust Fund while housing impact fees can be used for "seed" money for affordable housing projects.

City Role in Producing Affordable Housing

The City of Mountain View does not produce affordable housing by itself. Rather it works with nonprofit housing developers to preserve, rehabilitate and build affordable housing. Development of a new efficiency studio project for lower income households is an example of how the City provides leadership in this area. Work on this project began in September 1998, when the City Council directed staff to find a site for an efficiency studio project. Between 1998 and 2000, the City selected a non-profit developer to carry out the project, identified potential sites for the project and after a year-long process of community meetings and City Council hearings, selected the San Antonio Loop site for the project. The City also allocated all available CDBG, HOME and Revitalization District Housing Set-Aside funds for the project, and worked with the non-profit developer in the selection of an architect and the development of a preliminary project design for 120 units to be built on the site. By April 2002, the City had granted entitlements for the project, including approval of the environmental analysis, project design and Precise Plan amendments.

²⁵ "1999 Five-Year Implementation Plan for the Mountain View Revitalization Authority," Table III-4, April 2000.

²⁶ In April, 1999, the median home price in Mountain View was \$500,000 and by November, 2000, the median home price in Mountain View had increased to \$650,000, an increase of 30percent in 19 months. Late in 2001, there was evidence home prices were dropping.

The remaining steps are for the City to work with the non-profit developer and the architect to finalize the project design and take the project through the City's building permit process. The City will also execute a ground lease with the non-profit developer for use of the San Antonio Loop site for the project and will work with the developer to submit a tax credit application to the State Tax Credit Allocation Committee. A tax credit allocation is necessary in order for this project to begin construction. Once construction is underway, the City will work with the developer and the community to hold neighborhood meetings and address any community concerns and will also ensure that the project is completed in a timely manner and in compliance with all applicable State and Federal requirements for use of the local and federal funding that has been committed for the project.

Housing Programs to Address Market Considerations

Because of the extreme shortage of affordable housing in the County as a whole, as well as in Mountain View, available funding sources will continue to emphasize the provision of affordable housing opportunities. The City will continue to explore ways to assist moderate income households in buying a house working with the County and the Santa Clara County Housing Trust Fund as described below. However, in order to produce the maximum number of units with the available resources, it is likely that the main emphasis of the City's new housing programs for lower income households will continue to be on rental housing. The "Jobs-Housing Nexus Analysis" prepared for a proposed Housing Impact Fee found that, for the same amount of money, about six times more rental households can be subsidized compared to ownership households because of the higher "subsidy" per ownership household.²⁷

Several Actions in the Housing Element are aimed at encouraging more apartment owners to participate in the Section 8 program with the goal of having 10 percent of all rental units in the program. Action 5.b recommends working with the Tri-County Apartment Association, the Mountain View Housing Council and housing advocates to achieve this goal. Several other Actions identify strategies to help achieve the goal, including working with a regional group to increase Section 8 participation (Action 13.d), lobbying for an increase in "fair market rents" (Action 13.c), identifying a case worker or ombudsman to encourage renter-owner cooperation in the Section 8 program (Action 13.e) and determining whether there are cost-effective alternatives for improving the placement process (Action 13.f).

To assist first-time homebuyers, the City participates in the Mortgage Credit Certificate (MCC) Program that gives a tax credit of up to 15 percent of mortgage interest paid each year (this is in addition to the deduction for mortgage interest). Potential participants (whose income cannot exceed 100 percent of median) must find a house that costs no more than \$410,000.

The Santa Clara County Housing Trust Fund has also established first-time home-buyers programs, but the programs are countywide and the maximum house price is \$475,000. The

²⁷ The first draft of the "Jobs-Housing Nexus Analysis," December 2000, by Keyser Marston showed the "affordability gap" for rental households was \$12,500 while the "affordability gap" for ownership households was \$78,000. In both cases, the affordability gap is the difference between what a median-income household can afford to pay and the costs of a rental and ownership units.

Housing Trust Fund, which is a public-private partnership, has raised \$20 million to fund this and several other programs.

For the same reasons that it has been difficult to assist first-time homebuyers—very high housing prices, it has not been possible to operate a housing rehabilitation loan program. In order to purchase a home in Mountain View, homeowners must exceed the federal income limits and therefore are not eligible for receipt of housing rehabilitation loans under the CDBG and HOME Programs. The City will continue to monitor housing conditions in the event that things change and housing rehabilitation loans become feasible and appropriate.

Homeless Assistance Programs

The City's homeless assistance strategy has two prongs: (1) use local programs to (a) create affordable housing to prevent persons from becoming homeless and (b) assist persons who are homeless by funding short-term shelter and emergency assistance programs, and (2) participate in programs to address homelessness on a regional basis.

An essential element of the City's homeless strategy is the provision of services and affordable housing to prevent low-income residents from becoming homeless. The following are key elements to the prevention of homelessness:

- Increasing the supply of affordable housing. The City is currently focusing on the development of 110 to 130 units of efficiency studio housing for very low-income persons.
- Preserving the existing supply of affordable housing in order to prevent displacement of low-income residents.
- Continuation of the Section 8 rent subsidy voucher program in order to provide affordable housing for persons with extremely low incomes.
- Continuation of emergency rental assistance programs to help prevent persons from losing their housing due to a temporary inability to pay their rent.
- Continuation of emergency assistance programs to provide case management and a variety of services to prevent persons on the verge of homelessness from becoming homeless. The Community Services Agency's provides motel vouchers to help 20-30 families and individuals per year with special temporary needs obtain emergency housing.
- Continuation of the tenant/landlord information/referral and mediation program which helps prevent unnecessary evictions.

Once an individual becomes homeless, the goal is to provide shelter and support services and to assist that individual to address any drug/alcohol or other problems they may be dealing with, obtain employment and move into transitional housing. The following are key elements to assisting homeless persons to break the cycle of homelessness:

- Provision of sufficient shelter beds to accommodate the need for shelter.
- Provision of necessary support services such as case management, food, clothing, transportation, health care, etc.
- Continuation of the Alpha Omega Program in Mountain View, which provides shelter and case management. The Alpha Omega rotating shelter currently provides housing assistance and social services to about 55 single adults each year (9 to 12 persons on any given night). A recent evaluation of shelter clients found that almost 60 percent had achieved 90 percent of their case plan goals. Almost 75 percent are employed and 75 percent have successfully completed life skills workshops. Securing permanent housing remains the most difficult goal for clients to achieve because of the high costs of housing in the area.²⁸
- Continuation of the Alpha Omega Graduate House in Mountain View, which provides transitional housing for those persons who successfully “graduate” from the Alpha Omega Program. The “Graduate House has room for six residents.

To address homelessness on a larger regional basis, the City plans to continue its participation in the Santa Clara County Collaborative on Housing and Homeless Issues. The Collaborative represents homeless shelter and service providers, housing advocates, non-profit developers, and local governmental jurisdictions. The Collaborative encourages a regional coordinated approach to addressing the needs of the homeless and those at risk of homelessness.

For regional programs, Mountain View has supported the Clara–Mateo Alliance and Casa Say that provide shelter and services to homeless people. Clara Mateo operates a 63-bed shelter for homeless persons at the Menlo Park Veterans Center. About 15 of the 480 total clients are Mountain View residents. Homeless or runaway teens are housed at Casa SAY, a single-family house with room for six teens, operated by Social Advocates for Youth. This shelter is located in Mountain View. Programs for homeless families include a facility operated by the Clara Mateo Alliance Shelter (about 12 of the 154 total annual clients served by the six-unit Clara Mateo family shelter are Mountain View residents).

Fair Housing

Fair housing is defined as the equitable access to housing by all households regardless of race, family status, income or disabilities. The main impediment to fair housing choice in Mountain View and the regional housing market is simply the lack of sufficient available and affordable housing. The high cost of housing and the high demand relative to the available supply has tended to particularly affect lower income households, people of color, families with small children and disabled persons. Mountain View, with its high proportion of rental housing units, requires special efforts to monitor possible discriminatory practices and to work with rental property owners and managers to eliminate these practices. Local programs to address fair housing issues include:

²⁸ Community Services Agency Annual Report to Santa Clara County, 2000-2001

- Funding a fair housing agency to investigate potential discrimination cases, implement outreach and provide information on fair housing issues.
- Funding and managing the Mountain View Mediation Program which also provides information on tenant/landlord rights and responsibilities. Providing information to the public, both renters and property owners and managers, about fair housing laws.

These programs include publication of information in several languages, providing local, multi-lingual staff to assist the public in accessing this information and assistance, distribution of all housing information in multiple languages at the rotating neighborhood meetings sponsored by the City, owner/manager training workshops, distribution of more than 1,000 fair housing brochures to date, a Fair Housing Attorneys and Advocates seminar, daily advertising in the "San Jose Mercury News," bi-weekly advertising in "The Voice" and weekly advertising in the local Spanish language newspaper, "El Observador." Fair housing advertising has also been prominently displayed in bus shelters in Mountain View by the City's mediation service.

- Continuing to monitor the provision of fair housing services to ensure that adequate services are being provided and that services are being provided in the most cost effective means.

As a part of this process, Mountain View helped fund a special study titled "Fair Housing in Santa Clara County, An Assessment of Conditions and Programs, 2000-2002." This study concluded that "Fair housing conditions in Santa Clara County are, as a general matter, very good; in some cases they are outstanding." Its fair housing providers (which Mountain View helps fund) were described as "unusually strong and generally well-funded." The report concluded with several recommendations including establishing a fair housing collaborative task force and improvements in fair housing services and structure. The report cited some ways in which the existing programs could be more effectively coordinated to target fair housing (as separate from landlord-tenant issues) and resources could be reallocated. An Action on participation in the countywide fair housing collaborative task force is included in the Housing Element.

XII. GOALS, POLICIES AND IMPLEMENTING ACTIONS

State Law requires that the Housing Element define goals, policies, programs and quantified objectives for the maintenance, improvement and development of housing. The following Goals, Policies and Actions provide a clear statement of what the City of Mountain View intends to accomplish with this Housing Element. It takes into consideration the housing needs of the community balanced against other needs, and incorporates the input of a wide variety of constituents and stakeholders.

The matrix of Goals, Policies and Actions integrates ideas and concepts from three separate sources: (1) the 1990 Housing Element; (2) requirements in the State Housing Element legislation and all relevant guidelines, and (3) locally-generated ideas and issues from the Planning Commission meetings, from staff and from the public. It incorporates information and suggestions from eight Planning Commission's Housing Element meetings including the community workshop, the housing needs assessment, the housing issues, potential residential rezoning sites, governmental constraints, non-governmental constraints, and the review of the effectiveness of the 1990 Housing Element.

Since this document is an update of the existing Certified Housing Element, the basic framework of the table is built on that 1990 Housing Element document. The eight goals in the 1990 Element were pared down to five goals, all of approximately equal stature. The 1990 Goals that were deleted have been included as Policies or were merged with other Goals. Together, these Goals cover the major "program elements" defined in the State guidelines. The first four Goals have been taken almost verbatim from the 1990 Housing Element. The fifth Goal is new.

Many of the Policies and Actions are also taken from the 1990 Housing Element, although many are new. In drafting these Implementing Actions, the City has provided target dates for completion, in accordance with the requirements to provide quantified objectives. Specific timing and completion objectives have been developed with the State's concerns in mind, balancing them with the City's constraints including limited resources and competing demands for time and funding.

The organization of the Goals, Policies and Actions is summarized as follows:

Goal A concerns housing supply.

Provide a range of housing including single-family, townhouses, apartments, condominiums, mobile homes and other housing types.

The topics discussed under Goal A are the ABAG fair share allocations, sites proposed for rezoning, housing densities, “smart growth,” and types of housing (ownership, rental, mobile homes).

Goal B concerns types of affordable housing and financial assistance.

Preserve and increase the supply of affordable housing.

This Goal encompasses the largest number of Policies and Implementing Actions, including: housing for special needs groups or individuals (seniors, disabled persons, efficiency studios, homeless shelters, etc.); priorities to be given to community service workers; financing for private and nonprofit housing development and programs from a variety of sources; use of City surplus properties; and elimination of governmental constraints on housing.

Goal C concerns the condition of housing.

Improve the condition of housing in the City.

This Goal deals with rehabilitation and energy efficiency.

Goal D concerns equal opportunity.

Ensure a choice of housing and locations to all people regardless of race, sex, sexual orientation, national origin, age, marital status, familial status, ancestry, religion, color, source of income, or physical or mental handicaps.

This Goal concerns fair housing and mediation of landlord/tenant disputes.

Goal E addresses the need to keep the Housing Element current.

Maintain an up-to-date Housing Element.

This Goal encourages annual review.

Table XII-1
GOALS, POLICIES, AND IMPLEMENTING ACTIONS

II. Goals	Policies	Actions	Target Date and Responsible Bodies																												
A. Provide policies that encourage a range of housing including single-family, townhouses, apartments, condominiums, mobile homes and other housing types.	1. Ensure that adequate residential land is available to accommodate the new construction needed to meet ABAG's Fair Share Housing Needs.	1.a Encourage the construction and appropriate rehabilitation of an average of 489 units a year over the seven-year life of the Housing Element with an annual report to the Environmental Planning Commission on actual units built.	Annually Community Development Department (CDD)																												
		1.b Before 2006, initiate General Plan changes and rezoning of the following sites to residential densities that will support housing affordable to a full range of incomes including households with less than median income:	CDD Environmental Planning Commission(EPC) City Council (CC)																												
		<table><thead><tr><th>Site</th><th>Proposed Zoning</th><th>Estimated Units</th><th>Target Date For Rezoning</th></tr></thead><tbody><tr><td>• Moorpark/Alice</td><td>R3-1.5</td><td>42</td><td>2002</td></tr><tr><td>• Moffett/Middlefield (northwest corner)</td><td>40/ac. (Precise Plan)</td><td>192</td><td>2003</td></tr><tr><td>• Ada/Minaret</td><td>R3-1</td><td>152 (101*)</td><td>2004</td></tr><tr><td>• Wyandotte/Independence</td><td>R3-2</td><td>141</td><td>2005</td></tr><tr><td>• Plymouth/Sierra Vista and Colony/Rengstorff</td><td>R3-2</td><td>258</td><td>2006</td></tr><tr><td colspan="2">TOTAL</td><td colspan="2">785 (734)</td></tr></tbody></table>	Site	Proposed Zoning	Estimated Units	Target Date For Rezoning	• Moorpark/Alice	R3-1.5	42	2002	• Moffett/Middlefield (northwest corner)	40/ac. (Precise Plan)	192	2003	• Ada/Minaret	R3-1	152 (101*)	2004	• Wyandotte/Independence	R3-2	141	2005	• Plymouth/Sierra Vista and Colony/Rengstorff	R3-2	258	2006	TOTAL		785 (734)		
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* Net increase over current zoning.																															

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GOALS, POLICIES, AND IMPLEMENTING ACTIONS**

II. Goals	Policies	Actions	Target Date and Responsible Bodies												
A. (cont.) Provide policies that encourage a range of housing including single-family, townhouses, apartments, condominiums, mobile homes and other housing types.	1. (cont.) Ensure that adequate residential land is available to accommodate the new construction needed to meet ABAG's Fair Share Housing Needs.	1.c Before 2006, consider amending the zoning ordinance and other regulations to increase potential additional housing units by:	CDD, EPC, CC												
		<ul style="list-style-type: none">• Allowing mixed use in the Neighborhood Commercial zone district on Moffett Boulevard and other areas.• Allowing redevelopment at significantly higher than existing densities on already-developed multiple-family parcels in locations where the higher densities would be compatible with adjacent properties and including consideration of higher than 10 percent Below-Market-Rate units.													
		<table><tr><td><u>Changes</u></td><td><u>Estimated Units</u></td><td><u>Target Date For Amendments</u></td></tr><tr><td>Moffett Mixed Use</td><td>31</td><td>2004</td></tr><tr><td>Multiple-Family</td><td><u>175</u></td><td>2006</td></tr><tr><td></td><td>206</td><td></td></tr></table>		<u>Changes</u>	<u>Estimated Units</u>	<u>Target Date For Amendments</u>	Moffett Mixed Use	31	2004	Multiple-Family	<u>175</u>	2006		206	
		<u>Changes</u>		<u>Estimated Units</u>	<u>Target Date For Amendments</u>										
		Moffett Mixed Use		31	2004										
		Multiple-Family		<u>175</u>	2006										
	206														
1.d Revise the Mayfield Mall Precise Plan to allow for housing and other uses if redevelopment is initiated by the property owner.															
1.e Initiate amendments to the zoning ordinance and other relevant City regulations to limit hazardous materials use within and near industrial areas proposed to be rezoned to housing under Action 1.b.															
1.f Require Zoning Administrator to review and take action on all applications proposing to develop property at less than the maximum density allowed by zoning. Factors the Zoning Administrator will take into account in making a decision include, but are not limited to, the following: <ul style="list-style-type: none">• The overall goal of increasing the proportion of sites developed at maximum density.• The density of the surrounding neighborhood.• Extenuating circumstances such as lot configuration and other factors that may allow for lower densities.• Proximity to transit corridors and job centers.															

Table XII-1
GOALS, POLICIES, AND IMPLEMENTING ACTIONS

II. Goals	Policies	Actions	Target Date and Responsible Bodies
A. (cont.) Provide policies that encourage a range of housing including single-family, townhouses, apartments, condominiums, mobile homes and other housing types.	2. Encourage a mix of housing types, including higher-density and lower-density housing.	<p>2.a Retain the following two sites for single-family residential development with retention of appropriate areas for open space.</p> <ul style="list-style-type: none"> Greenhouse at Marilyn Avenue Southeast corner of Grant Road and Levin Avenue <p>2.b Determine appropriate densities for privately initiated zone changes based on the need for housing, surrounding uses, available infrastructure and environmental constraints with the goal of increasing overall density of new residential construction.</p> <p>2.c Assure that all new housing is safe and attractive through appropriate design and zoning standards and application of the Uniform Building Code</p> <p>2.d Continue to provide appropriate incentives, including the more expeditious review process available to apartments and condominiums as compared to the PUD permit process required for townhouses and small-lot single-family projects, to encourage development at maximum densities. Update development application materials to highlight and promote the simpler review process for apartments and condominiums.</p>	<p>Upon application of property owner for development. CDD, Community Services Dept., Parks and Recreation Commission, EPC, CC</p> <p>Upon application of property owners. CDD, EPC, CC</p> <p>Ongoing</p> <p>2003 CDD, EPC, CC</p>
	3. Provide higher density housing near transit, near the Downtown and near other commercial centers.	3.a Continue to allow and encourage mixed-use development at higher densities in the Commercial Residential Arterial Zone District, in the Downtown Precise Plan and near transit.	Ongoing
	4. Continue to provide rental housing.	<p>4.a Continue to regulate conversions of rental units to condominiums by ordinance.</p> <p>4.b Continue to include potential rental housing sites in the residential land inventory.</p> <p>4.c Encourage people to rent rooms in their homes.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>

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GOALS, POLICIES, AND IMPLEMENTING ACTIONS

II. Goals	Policies	Actions	Target Date and Responsible Bodies
A. (cont.) Provide policies that encourage a range of housing including single-family, townhouses, apartments, condominiums, mobile homes and other housing types.	5. Provide renters with stable rental opportunities.	<p>5.a Implement appropriate ordinances or programs with the goal of providing additional housing security for long-term renters:</p> <ul style="list-style-type: none"> • Explore Palo Alto's, as well as other cities', mandatory mediation programs • Expand outreach about tenant's rights and the City's mediation program through public and private agencies, and programs sponsored by the City <p>5.b Work with the Tri-County Apartment Association, the Mountain View Housing Council, landlords and affordable housing advocates to develop strategies to preserve rental housing, including increasing participation in the Section 8 program with a goal of 10 percent of all rental units in the City. (See also 13.c, 13.d 13.e.)</p>	<p>CDD, EPC, CC 2004 2002</p> <p>Beginning in 2004 CDD, EPC, CC, Tri-County Apartment Association, MV Housing Council, Santa Clara County Housing Authority</p>
	6. Encourage the development of new ownership housing.	<p>6.a Encourage townhouses, row houses, and condominiums in multiple-family zones.</p> <p>6.b. Maintain and update as needed the Townhouse and Small-Lot Single-Family Guidelines.</p> <p>6.c Develop guidelines for row house development.</p> <p>6.d Support construction defect legislation that will both protect homeowners from defects and encourage developers to build attached housing such as townhouses and condominiums.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>2003 CDD, EPC, CC</p> <p>When legislation is proposed. CDD, CC</p>
	7. Monitor the supply and costs of existing rental, mobile home and ownership housing.	<p>7.a Use available statistical data to track the distribution of Mountain View's existing rental, mobile home, and ownership housing opportunities among the income categories Very Low, Low, Moderate and Above Moderate.</p> <p>7.b Investigate ways of developing a comprehensive inventory of existing rental housing (including mobile homes) to track number of units and rents for units (and mobile home spaces) throughout the city.</p>	<p>2003 CDD, EPC, CC</p> <p>2004 CDD, EPC, CC</p>

Table XII-1
GOALS, POLICIES, AND IMPLEMENTING ACTIONS

II. Goals	Policies	Actions	Target Date and Responsible Bodies
A. (cont.) Provide policies that encourage a range of housing including single-family, townhouses, apartments, condominiums, mobile homes and other housing types.	8. Preserve the six major mobile home parks as a vital part of housing opportunities in the community.	8.a Retain “Mobile Home Park” as a separate residential land use category on the land use map of the General Plan. 8.b Require a conversion impact report before approving a mobile home park conversion. 8.c. Require appropriate measures to lessen the adverse effects of mobile home park conversions on displaced mobile home residents. 8.d. Consider strategies for assisting low-income mobile home residents with obtaining replacement housing if a mobile home park owner seeks rezoning and other approvals to redevelop his property. 8.e. Investigate strategies to protect the affordability of mobile homes in mobile home parks	Ongoing When conversion requested. When conversion requested. When application made. 2002 CDD, ECP, CC
	9. Allow mobile and manufactured housing in all residential zones and assure that it is safe and attractive.	9.a. Encourage mobile and manufactured housing that is safe and attractive. 9.b. Maintain zoning ordinance design requirements and criteria for manufactured housing and mobile homes. 9.c. Clarify, in the zoning ordinance section on companion units, that manufactured homes may be used as companion units.	Ongoing Ongoing Ongoing (Combine with Action 10.d)

Table XII-1
GOALS, POLICIES, AND IMPLEMENTING ACTIONS

II. Goals	Policies	Actions	Target Date and Responsible Bodies
B. Preserve and increase the supply of affordable housing with an emphasis on low- and very low-income housing.	10. Provide a variety of affordable housing opportunities for low and moderate-income households.	<p>10.a Encourage senior housing including projects with centralized facilities or congregate care.</p> <ul style="list-style-type: none"> • Work toward the goal of 100 units of new senior housing. <p>10.b Encourage housing for low and very low income families and individuals throughout the city.</p> <ul style="list-style-type: none"> • Work toward the goal of 150 units of new housing for households with very low or low incomes (in addition to the 110-130 efficiency studio units already in process.) <p>10.c Continue to zone areas for single-family houses that are designed with enough bedrooms to accommodate larger families.</p> <p>10.d Work with a non-profit developer to finance and construct an efficiency studio development with 110 to 130 low-income units on the San Antonio Loop site.</p> <p>10.e Disseminate information to homeowners about the City's current provisions for companion units in the R1 zone district.</p> <p>10.f Continue to fund a program, such as Economic and Social Opportunities, Inc.'s Home Repair/Home Access Program, that assists handicapped low-income homeowners with minor renovations to their homes to make them accessible.</p> <p>10.g Work with non-profit agencies, other cities and the County, and developers on regional approaches to providing housing for persons with physical or mental disabilities, victims of domestic violence, and the homeless.</p>	<p>2006 CDD, Non-profit housing developers, CC</p> <p>2006 CDD, Non-profit housing developers, CC</p> <p>Ongoing</p> <p>2001-2004 CDD, Charities Housing, CC</p> <p>2002, then ongoing CDD</p> <p>Ongoing</p> <p>Ongoing</p>

Table XII-1
GOALS, POLICIES, AND IMPLEMENTING ACTIONS

II. Goals	Policies	Actions	Target Date and Responsible Bodies
B. (cont.) Preserve and increase the supply of affordable housing with an emphasis on low- and very low-income housing.	10. (cont.) Provide a variety of affordable housing opportunities for low and moderate-income households.	10.h Continue to fund or support efforts to provide short-term shelter and emergency assistance to persons who are homeless or at risk of homelessness, including homeless and runaway youth, with programs such as the Emergency Housing Consortium, the Community Services Agency's Emergency Assistance Program and Casa SAY	Ongoing
		10.i Continue to participate in regional homeless programs and to support short-term shelter and transitional housing programs, such as the Clara-Mateo homeless shelter which accommodates about 12 families and 15 individuals from Mountain View per year and which is within a four-mile radius of the City.	Ongoing
		10.j Continue to provide funding for the operation of a local shelter, such as the Alpha Omega Rotating Homeless Shelter that provides shelter for about 12 people per night in churches in the City and allows up to 29 people per night.	Ongoing
		10.k Continue to support Mountain View's six-bed transitional house for previously homeless persons.	Ongoing
		10.l Continue to support programs that protect people from becoming homeless.	Ongoing
		10.m Continue to allow innovative housing programs such as co-op housing and shared housing.	Ongoing
		10.n Continue to work with housing developers to help identify appropriate sites and to encourage the development of affordable housing and housing for the elderly both through new construction and the acquisition and rehabilitation of existing housing developments, including possible sites within the areas listed in Action 1.b.	Ongoing
		10.o Investigate strategies for reversing the loss of affordable housing units.	2004 and then ongoing

Table XII-1
GOALS, POLICIES, AND IMPLEMENTING ACTIONS

II. Goals	Policies	Actions	Target Date and Responsible Bodies
B. (cont.) Preserve and increase the supply of affordable housing with an emphasis on low- and very low-income housing.	11. Seek methods of ensuring that community service workers can continue to live in Mountain View.	11.a Give priority for subsidized affordable housing to persons who live or work in Mountain View whenever it is legally feasible.	Ongoing
		11.b Continue to give priority to City of Mountain View public safety workers, Mountain View public school teachers and persons who live or work in Mountain View (in that order) for housing units supplied under the City's Below-Market-Rate program.	Ongoing
		11.c Investigate giving priority to City of Mountain View public safety workers, Mountain View public school teachers and persons who live or work in Mountain View (in that order) for other City-assisted housing projects and programs in addition to those projects and programs noted under Actions 11.a and 11.b.	Ongoing CDD, City Attorney, EPC, CC
		11.d Continue to conduct outreach efforts to identify and assist Mountain View residents and workers who may be eligible for subsidized housing projects and programs	Ongoing Community Outreach Workers
		11.e Conduct ongoing interviews with representatives of City of Mountain View public safety workers, school teachers, and other priority community-service employees to determine their housing needs and housing programs that can serve them.	Begin 2003 City Manager, CDD, School districts and teacher groups Public safety employees
		11.f Create outreach partnerships with Mountain View school districts and organizations representing teachers, public safety and other relevant employees to increase awareness of affordable housing programs	Begin 2003 City Manager, CDD, School Districts Public safety employees
		11.g Work with the Mountain View school districts and organizations representing teachers, public safety and other relevant employees to obtain financial support for affordable housing, including potential use of school district land.	Begin 2004 City Manager, CDD, School Districts Public safety employees

Table XII-1
GOALS, POLICIES, AND IMPLEMENTING ACTIONS

II. Goals	Policies	Actions	Target Date and Responsible Bodies
B. (cont.) Preserve and increase the supply of affordable housing with an emphasis on low- and very low-income housing.	12. Make efforts to stimulate private financing for affordable housing developments.	<p>12.a Continue to provide liaison between banks and affordable housing developers on the Community Reinvestment Program.</p> <p>12.b Encourage business owners to assist their employees with mortgages and rents.</p>	<p>Ongoing</p> <p>Silicon Valley Manufacturing Group</p>
	13. Pursue County, State, federal and private programs that provide financial assistance and incentives for lower-income and moderate-income households. (Former Policy 10)	<p>13.a Apply annually for the City's maximum entitlements under the Community Development Block Grant and HOME programs (\$891,000 and \$477,000, respectively, in 2001-02).</p> <p>13.b Spend at least half of the City's CDBG and HOME grants to provide housing for lower income households, homeless people and other households with special needs consistent with the City's Consolidated Plan.</p> <p>13.c Actively lobby the Santa Clara County Housing Authority, Congressional officials and others for changes including making the Section 8 program better reflect "fair market rents" in the Mountain View area.</p> <p>13.d Participate in a regional program to increase Section 8 participation.</p> <p>13.e Identify resources such as a caseworker or ombudsman whose role is to encourage renter-owner cooperation in obtaining the goal of 10 percent participation citywide in the Section 8 program and additional outreach programs identified in this Housing Element.</p>	<p>Annually. CDD, City Council</p> <p>Annually. CDD, City Council</p> <p>Ongoing CDD, City Council</p> <p>2003 CDD, City Council</p> <p>2005 CDD</p>

Table XII-1
GOALS, POLICIES, AND IMPLEMENTING ACTIONS

II. Goals	Policies	Actions	Target Date and Responsible Bodies
B. (cont.) Preserve and increase the supply of affordable housing with an emphasis on low- and very low-income housing.	13. (cont.) Pursue County, State, federal and private programs that provide financial assistance and incentives for lower-income and moderate-income households.	13.f Determine whether there are cost-effective alternatives for improving the Section 8 rental unit placement process, such as modest city funding for a non-profit housing organization to help maintain client files and submit Section 8 paperwork.	2005
		13.g Monitor state housing financing programs and apply for funds for those programs suited to local projects.	Ongoing
		13.h Support legislation to continue, expand or develop financing programs such as the Low Income Housing Tax Credit Program and other tax incentives for creating affordable housing.	Ongoing
		13.i Support other strategies and programs to supplement the Section 8 program such as programs to provide renters with deposits, emergency rental assistance and coaching on how to apply for a rental unit.	When legislation is introduced.
		13.j Work with non-profit housing developers to optimize their eligibility for financing under various federal, state, County and private programs, such as CDBG, the Low Income Housing Tax Credit program, the Santa Clara County Housing Trust Fund, the Sobrato Family Trust and others.	Ongoing
		13.k Contribute a total of \$500,000 to the Santa Clara County Housing Trust Fund with the agreement that these funds be spent on affordable housing projects or programs in Mountain View.	2001-02 and 2002-03

Table XII-1
GOALS, POLICIES, AND IMPLEMENTING ACTIONS

II. Goals	Policies	Actions	Target Date and Responsible Bodies
B. (cont.) Preserve and increase the supply of affordable housing with an emphasis on low- and very low-income housing.	14. Use locally generated housing funds to provide financial assistance to plan, build and preserve housing for lower-income and moderate-income households.	14.a Use the 20 percent set-aside for affordable housing through the Mountain View Revitalization Authority and the redevelopment plan to enable construction, preservation and improvement of affordable housing. Annually review the percentage set-aside for affordable housing to determine whether it should be increased.	Ongoing
		14.b Evaluate setting aside a portion of the North Bayshore Community Fund for housing as one method of reaching numerical goals outlined in Actions implementing Policy 10 above.	2002 CDD, Finance Dept., Public Works Dept., City Manager, CC
		14.c Between 2000 and 2005, allocate \$809,000 of set-aside funds to the construction of an efficiency studio project with 110-130 low-income units and allocate \$1,072,000 to the acquisition and conversion of market rate units to affordable units, or development of an affordable housing project.	Annually through 2005
		14.d Assure complete funding of the 110-130 unit efficiency studio project using Revitalization District funds, Below-Market-Rate <i>in-lieu</i> fees or other funding sources.	2004 CDD, Charities Housing, C
		14.e Continue to implement the Below-Market-Rate program in which new housing developments over a certain size provide at least 10 percent of their units to low- and moderate-income households or pay fees in lieu of the housing units.	Ongoing
		14.f Evaluate the effectiveness of the BMR program in increasing the supply of affordable housing, implementing enhancements as appropriate.	2006
		14.g Allocate BMR in lieu fees to housing projects for low and moderate income households, including ensuring completion of the 110-130 unit efficiency studios project.	2001-2002 and 2002-03 City Council
		14.h Implement the Housing Impact Fee ordinance to facilitate collection of funds for affordable housing for low and moderate income households.	2002

Table XII-1
GOALS, POLICIES, AND IMPLEMENTING ACTIONS

II. Goals	Policies	Actions	Target Date and Responsible Bodies
B. (cont.) Preserve and increase the supply of affordable housing with an emphasis on low- and very low-income housing.	14. (cont.) Use locally generated housing funds to provide financial assistance to plan, build and preserve housing for lower-income and moderate-income households.	14.i Investigate new ways to generate local funds for low and moderate-income housing from as many different sources as possible..	2003 CDD, Finance Dept., City Attorney, City Manager, CC
	15. Assist moderate-income households in purchasing homes.	15.a Cooperate with the Santa Clara County Housing Bond Coordinator for the issuance of Mortgage Revenue bonds for projects and for the issuance of Mortgage Credit Certificates for first time homebuyers. 15.b Support the Santa Clara County Housing Trust Fund second mortgage program and other federal, state and local programs that enable moderate-income households to purchase homes.	Ongoing Ongoing
	16. Evaluate surplus City properties to determine their suitability for affordable housing.	16.a Specifically include consideration of affordable housing when reviewing City properties that are to be declared surplus.	Ongoing

Table XII-1
GOALS, POLICIES, AND IMPLEMENTING ACTIONS

II. Goals	Policies	Actions	Target Date and Responsible Bodies
B. (cont.) Preserve and increase the supply of affordable housing with an emphasis on low- and very low-income housing.	17. Remove unnecessary constraints to the development of affordable housing.	<p>17.a Continue to improve the current simple and efficient level of planning and permit approval and building inspection service, while continuing to protect the public health and welfare.</p> <p>17.b Initiate the process of further amending the City Code to allow waivers or reduced fees for planning approvals and building permits for affordable housing projects.</p> <p>17.c Use the density bonus provisions of the zoning ordinance (which permit higher densities and modified standards in return for certain percentages of very low, low or senior housing) to make adjustments to development standards that will facilitate the development of affordable housing.</p> <p>17.d Encourage shared parking, on a project-by-project basis, in mixed-use developments that include residential units.</p> <p>17.e Initiate the process of further amending the zoning ordinance to allow reduced parking for senior and affordable housing projects on a project-by-project basis.</p>	<p>Ongoing</p> <p>2004 CDD, Finance Dept., City Attorney, CC</p> <p>Ongoing</p> <p>Ongoing</p> <p>2004</p>
	18. Review redevelopment proposals to determine whether they create a new demand for affordable housing or reduce the supply of affordable housing.	18.a If redevelopment results in the loss of affordable housing units, require developers to give tenants at least 90 days notice to vacate, professional assistance in locating new rental units, a full refund of tenants' security deposit and information on affordable housing projects and assistance in Santa Clara County.	Ongoing

Table XII-1
GOALS, POLICIES, AND IMPLEMENTING ACTIONS

II. Goals	Policies	Actions	Target Date and Responsible Bodies
C. Improve the conditions of housing in the city.	19. Maintain and improve housing in the city to meet health, safety, fire and applicable development standards.	19.a Use the multiple-family rental housing inspection program to ensure compliance with the Uniform Housing Code's health and safety standards.	Ongoing
		19.b Continue to inspect at least 200 apartment complexes each year and require repairs to those units that are found to have code violations. Annually provide a list of apartment complexes, that continue to show serious signs of deterioration, to non-profit affordable housing organizations that can contact these apartment owners about the potential sale of these properties.	Ongoing
		19.c Promote and provide information on the Section 8 program to apartment building owners who are rehabilitating their buildings, and encourage participation in the program through Actions 5.a, 13.d and 13.e, with a goal of having at least 4 percent of the upgraded apartments remain affordable.	Ongoing
		19.d Work with property owners and/or non-profit developers to acquire, rehabilitate and preserve at least 50 units for affordable housing.	2006 CDD, CC Revitalization District

**Table XII-1
GOALS, POLICIES, AND IMPLEMENTING ACTIONS**

II. Goals	Policies	Actions	Target Date and Responsible Bodies
C. (cont.) Improve the conditions of housing in the city.	20. Promote energy-efficient and environmentally sensitive residential development, remodeling and rehabilitation.	20.a Continue to implement design standards in new development that encourage alternatives to the auto. These include allowing private streets that are narrower than the City's public street standards in Planned Unit Developments, and requiring sidewalks and bicycle lanes, bus turnouts, and direct pedestrian connections to transit lines.	Ongoing
		20.b To provide shade and reduce heat retention, continue to require street trees, trees in parking lots at a rate of one tree for every three parking spaces (plus additional landscaped islands and planter strips) and trees in the other required landscaped areas.	Ongoing
		20.c Maintain an effective and streamlined process to ensure compliance with Title 24 requirements in all new construction, and implement future changes as quickly as possible after they are approved.	Ongoing
		20.d Expedite review and approval of alternative energy devices such as solar panels, photovoltaic cells and others.	Ongoing
		20.e Revise the zoning ordinance to specifically allow alternative energy generating devices such as wind generators and develop standards to accommodate their unique requirements while protecting neighbors from visual, noise and other forms of intrusion.	2004 CDD, EPC, CC
		20.f Evaluate opportunities for passive solar heating and cooling in the design review process for new development and redevelopment.	Begin 2002, ongoing after that CDD
		20.g Provide support for energy conservation and assistance programs for low-income households including referral to available programs and advertisement of services.	Ongoing
		20.h Consider policies to encourage recycling as a part of all construction, reconstruction, remodeling projects.	2004
		20.i Encourage "green" building techniques learned as best practices from other cities and organizations.	Ongoing

Table XII-1
GOALS, POLICIES, AND IMPLEMENTING ACTIONS

II. Goals	Policies	Actions	Target Date and Responsible Bodies
D. Ensure a choice of housing and locations to all regardless of race, sex, sexual orientation, national origin, age, marital status, familial status, ancestry, religion, color, source of income, or physical or mental handicaps.	21. Prohibit discrimination in the sale, rental and development of housing.	21.a Continue to refer housing discrimination complaints to a City-funded contractor for investigation and counseling.	Ongoing
		21.b Continue to publicize the City-funded program for investigating housing discrimination complaints.	Ongoing
		21.c Continue to prepare an Analysis of Impediments to Fair Housing Choice as required by HUD.	As required by HUD
		21.d Participate in a countywide fair housing collaborative task force that will work toward improvements in fair housing services and structure.	Ongoing
	22. Encourage good relations between housing providers and tenants.	22.a Continue to refer rental property owner-tenant complaints to a City-funded contractor for mediation.	Ongoing
		22.b Identify and implement new outreach and promotion mechanisms to increase awareness among renters of the existing City-funded mediation program.	Ongoing
E. Maintain an up-to-date Housing Element.	23. Establish a Housing Element implementation plan with appropriate staffing and budget; review annually.	23.a Incorporate consideration of Housing Element implementation into the City Council's annual goal-setting process. 23.b Prepare an annual report to the City Council which includes the results of Housing Element implementation for the past year.	Annually Annually

XIII. QUANTIFIED OBJECTIVES

Background

According to the State Department of Housing and Community Development, the sum of the quantified objectives for the programs should ideally be equal to or surpass the community's identified housing needs. However, State law recognizes that 'the total housing needs identified may exceed available resources and the community's ability to satisfy this need within the content of the general plan. Under these circumstances, the quantified objectives need not match the identified existing housing needs but should establish the maximum number of housing units that can be constructed, rehabilitated, and conserved over a five-year time frame.

Quantified Objectives in the City of Mountain View

Between 1988 and 2000, the average rate of construction for new housing has been about 200 units per year. If this rate continues for the next five years, there will be about 1,000 new units built between 2001 and 2006. About 40 percent of the housing built between 1988 and 2000 was on sites identified for rezoning in the 1990 Housing Element. The sites identified for rezoning in the current Housing Element will be more difficult to redevelop because most are privately-owned, many are already-developed and the sites are fragmented among many ownerships. (These sites were identified after a thorough search of redevelopment opportunities in the City.) Therefore, the City may have difficulty even achieving 1,000 new housing units. Nevertheless, this is the City's goal.

To meet the City's objectives for lower income housing, there are several federal and local funding sources: CDBG, HOME, Revitalization District Housing Set-Aside Funds, Below-Market Rate program in-lieu fees, housing impact fees and the Santa Clara County Housing Trust Fund. These funds can continue to be used to leverage other funding sources such as tax credits—generally amounting to \$7 for every \$1 of local funds.

During the five years between 2001-02 and 2006-07, the City can project a continuation of federal funding of about \$1.3 million per year or a total of \$6.5 million (although funding levels could change as a result of 2000 Census data). Also, between 2000 and 2006, the City is estimating it will receive almost \$3.7 million from housing set-aside funds. The efficiency studio project has used significant amounts of the CDBG, HOME and set-aside funds for the past three years through 2001-02. After that fiscal year, it is expected that federal and set-aside funds may become available for other new housing projects or acquisition and rehabilitation of existing units. It will take several years for adequate funds for another housing project to be accumulated (as was the case with the efficiency studios project).

The BMR program is also projected to generate affordable housing units or fees in lieu of the units. Since most developers of ownership housing prefer to pay fees in lieu of providing units, the City is projecting only 25 moderate-income units with the remainder of the BMR requirement paid in in-lieu fees. During its first two years, the BMR program generated

commitments of \$1.5 million in in-lieu fees. Since it was not a typical two-year period because many projects in the pipeline were exempt, it is estimated that about \$1 million per year or a total of \$5 million could be generated over five years.

The new housing impact fee is also expected to generate several millions in the next five years, assuming the economy improves. Both the BMR and housing impact fee are highly variable because they are totally dependent on the performance of the private market.

The Santa Clara County Housing Trust is expected to make a major contribution to the efficiency studios project, and it may also be a source of funding for other affordable housing projects in the future.

Non-profit housing developers can also draw on other sources of funding including tax credits, which are a very significant source of funding for affordable housing.

Taking into consideration all of these funding sources, the City is currently estimating about 100 new units and 50 rehabilitated very low- and low-income units can be produced during the five-year time frame (in addition to the efficiency studio project).

The City's quantified objectives for the next five years are as follows:

**Table XIII-1
Quantified Objectives, 2001-2006**

Type of Units	Very Low Income	Low Income	Moderate Income	Above/Market Rate	TOTAL
New Construction	120 ¹	100 ²	300 ³	600	1,120
Rehabilitated	25	25	0	0	50
Preserved	0	0	0	0	0
TOTAL	145	125	300	600	1,170

1. Efficiency studio currently in process
2. Additional low income units financed with federal, set-aside, BMR in lieu and housing impact fees
3. Includes about 25 ownership units produced through the BMR program, plus 275 moderate-income units produced by the private market.

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